



# Comprehensive Annual Financial Report

***Fiscal Year Ended June 30, 2018***



# **Nash County**

## **North Carolina**

Comprehensive Annual Financial Report

For the Year Ended June 30, 2018



**NASH COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2018**  
**TABLE OF CONTENTS**

---

<u>Exhibit</u>		<u>Page</u>
	<b>INTRODUCTORY SECTION</b>	
	Letter of Transmittal	i -viii
	List of Elected and Principal Officials	ix
	Organizational Chart	x
	Certificate of Achievement for Excellence in Financial Reporting	xi
	<b>FINANCIAL SECTION</b>	
	<b>Independent Auditors' Report</b>	1-3
	<b>Management's Discussion and Analysis</b>	4-14
	<b>Basic Financial Statements:</b>	
	Government-Wide Financial Statements:	
1	Statement of Net Position	15
2	Statement of Activities	16
	Fund Financial Statements:	
3	Balance Sheet – Governmental Funds	17
3a	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net	18
4	Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental	19
4a	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund	20
5	Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual - General Fund	21
6	Statement of Net Position –Proprietary Funds	22
7	Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds	23
8	Statement of Cash Flows – Proprietary Funds	24-25
9	Statement of Fiduciary Net Position – Fiduciary Funds	26
	<b>Notes to the Financial Statements</b>	27-65

**NASH COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2018**  
**TABLE OF CONTENTS (Continued)**

<u>Exhibit</u>		<u>Page</u>
<b>Required Supplementary Information:</b>		
A-1	Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)	66
A-2	Schedule of County Contributions (LGERS)	67
A-3	Schedule of County's Proportionate Share of Net Pension Liability (Asset) (ROD)	68
A-4	Schedule of County Contributions (ROD)	69
A-5	Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance	70
A-6	Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance	71
A-7	Schedule of Changes in the Total OPEB Liability and Related Ratios	72
<b>Combining and Individual Fund Statements and Schedules:</b>		
<b><u>Governmental Funds</u></b>		
B-1	General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	73-84
B-2	Revaluation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	85
B-3	Economic Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	86
B-4	Courthouse Expansion Capital Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	87
<b><u>Nonmajor Funds</u></b>		
C-1	Nonmajor Funds - Combining Balance Sheet	88-90
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	91-93
C-3	Rural Operating Assistance Program - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	94
C-4	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	95
C-5	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	96

**NASH COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2018**  
**TABLE OF CONTENTS (Continued)**

<u>Exhibit</u>		<u>Page</u>
C-6	Controlled Substance Fund -Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	97
C-7	Federal Asset Forfeiture Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	98
C-8	Stormwater Maintenance Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	99
C-9	Tourism Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	100
C-10	Homeland Security Grant - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	101
C-11	Single Family Rehabilitation - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	102
C-12	Urgent Repair Program - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	103
C-13	Abandoned Manufactured Homes Grant - Schedule of Revenues, Expenditures, and	104
C-14	CDBG Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund	105
C-15	Capital Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund	106
C-16	Middlesex Industrial Park - Schedule of Revenues, Expenditures, and Changes in Fund	107
C-17	Senior Center/Miracle Park Capital Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
C-18	School Capital Fund - Schedule of Revenues, Expenditures, and Changes in Fund	109
C-19	Public Safety Radio Project	110

**Enterprise Funds**

Schedules of Revenues and Expenditures - Budget and Actual (Non-GAAP):

D-1	Water and Sewer Fund	111-112
D-1a	Rural Center Grants Fund	113

**NASH COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2018**  
**TABLE OF CONTENTS (Continued)**

---

<u>Exhibit</u>		<u>Page</u>
D-1b	NNWS Project Fund	114
D-2	Solid Waste Fund	115-116
D-2a	Solid Waste C&D Expansion	117
D-3	Central Nash Water and Sewer District	118-119

**Internal Service Fund**

E-1	Combining Statement of Net Position	120
E-2	Combining Statement of Revenues, Expenses, and Changes in Net Position	121
E-3	Combining Statement of Cash Flows	122
E-4	Employee Healthcare Benefits - Schedule of Revenues, and Expenditures - Budget and	123
E-5	Workers' Compensation Fund - Schedule fo Revenues, and Expenditures - Budget and	124

**Agency Funds**

F-1	Combining Statement of Net Position	125
F-2	Combining Statement of Changes in Fiduciary Assets and Liabilities	126

**Other Schedules**

G-1	Schedule of Ad Valorem Taxes Receivable - General Fund	127
G-2	Analysis of Current Tax Levy-County-wide Levy	128

**STATISTICAL SECTION**

<u>Table</u>		<u>Page</u>
1	Net Position by Component, Last Ten Fiscal Years	129
2	Changes in Net Position, Last Ten Fiscal Years	130
3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	131
4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	132
5	General Governmental Tax Revenues by Source, Last Ten Fiscal Years	133
6	Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	134
7	Property Tax Rates, Direct and Overlapping Governments, Last Ten Fiscal Years	135

**NASH COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2018**  
**TABLE OF CONTENTS (Continued)**

<u>Table</u>		<u>Page</u>
	<b>STATISTICAL SECTION (continued)</b>	
8	Principal Property Tax Payers	136
9	Property Tax Levies and Collections, Last Ten Fiscal Years	137
10	Ratio of Outstanding Debt by Type, Last Ten Fiscal Years	138
11	Ratios of General Bonded Debt Outstanding, Last Nine Fiscal Years	139
12	Legal Debt Margin Information, Last Ten Fiscal Years	140
13	Direct and Overlapping Governmental Activities Debt	141
14	Demographic and Economic Statistics, Last Ten Fiscal Years	142
15	Principal Employers, Current and Nine Years Ago	143
16	Full-Time Equivalent County Government Employees by Function, Last Ten Fiscal	144
17	Operating Indicators by Function, Last Ten Fiscal Years	145
18	Capital Assets Statistics by Function	146
	<b>COMPLIANCE SECTION</b>	
		<u>Page</u>
	Report on Compliance and on Internal Control Over Financial Reporting Based on an	147-148
	Reporting on Compliance With Requirements Applicable to Each Major Federal	149-150
	Reporting on Compliance With Requirements Applicable to Each Major State Program	151-152
	Schedule of Findings and Questioned Costs	153-155
	Corrective Action Plan	156
	Summary Schedule of Prior Year Audit Findings	157
	Schedule of Expenditures of Federal and State Awards	158-160



# NASH COUNTY

NASHVILLE, NORTH CAROLINA 27856



ROBBIE B. DAVIS  
BOARD OF COMMISSIONERS

ZEE B. LAMB  
COUNTY MANAGER

VINCE DURHAM  
ATTORNEY

JANICE EVANS  
CLERK TO BOARD

November 19, 2018

Nash County Citizens,  
The Honorable Chairman,  
Members of the Board of Commissioners

Maintaining the fiscal strength and stability of County government are primary goals of the Commissioners. This Comprehensive Annual Financial Report (Financial Statements) of Nash County, North Carolina, for the fiscal year ended June 30, 2018, is prepared to provide you with details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength. The County's Finance Department is responsible for the accuracy of the Financial Statement data, the completeness and fairness of the presentation, and all disclosures rests with the County. We believe the data and presentation are fair and accurate and that you will find everything necessary in this document to gain an understanding of the County's financial activities over the last fiscal year.

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Nash County.

This report consists of management's representations concerning the finances of Nash County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Nash County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Nash County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Nash County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

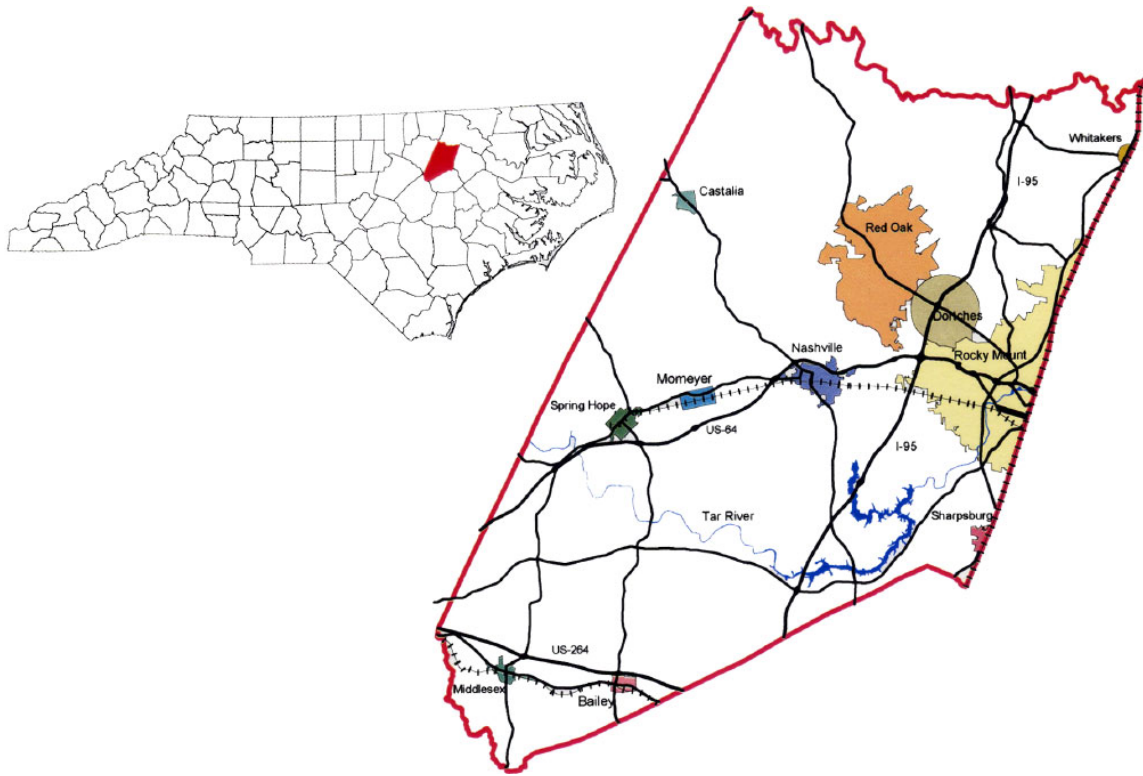
Nash County's financial statements have been audited by Thompson, Price, Scott, Adams & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Nash County for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Nash County's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Nash County was part of a broader, Federal and State mandated "Single Audit" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal and State awards. These reports are available in the Compliance Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Nash County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

Nash County was established in 1777 from the western part of Edgecombe County. Nash County could be classified as either a northern coastal plain county or a far eastern piedmont county. Falling midway between New York and Florida, Nash County occupies a total area of 542.71 square miles with a land area of 540.41 square miles. Nash County serves a population of 94,420 according to July 2018 projections from North Carolina Office of State Budget and Management website, [www.osbm.nc.gov](http://www.osbm.nc.gov). The County is positioned as a major gateway between the Coastal Plain and Piedmont regions of North Carolina. Within 30 miles of the state capital of Raleigh, Nash County is within an hour's drive of the world-famous Research Triangle Park. Eleven municipalities are located within the County, the largest being the City of Rocky Mount. Nashville is the second largest municipality in population and serves as the county seat. Nash County is empowered to levy a property tax on both real and personal properties located within its boundaries.



The County operates under the Commissioner-Manager form of Government. Policy-making and legislative authority are vested in a governing board consisting of seven elected commissioners. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. Commissioners are elected by districts and serve four-year staggered terms.

The County Manager is appointed by, and serves at the pleasure of the Board as the County's Chief Administrative Officer and Budget Officer. The Manager has appointive and removal authority over department heads and other employees of the County. The County Manager is responsible for the daily operations of the County Government. In addition, the Manager's responsibilities include implementation of policies established by the Board of Commissioners, as well as the administration of the annual budget adopted by the Board.

Nash County provides a wide range of services including public safety, human services (Social Services, Health, Veterans and Aging), funds for education, cultural and recreational activities, environmental protection, general administration and others. Additionally, the County owns and operates a water/sewer distribution system, with a legally separate Water and Sewer District, Central Nash Water & Sewer District, and a construction and demolition ("C&D") debris landfill which function, in essence as departments of Nash County. This report includes all of the County's activities in maintaining these services, except schools, which are administered by the Nash Rocky Mount School Board of Education. The County also extends financial support to certain boards, agencies

and commissions to assist their efforts in serving citizens. Among these is the Nash Rocky Mount School Board of Education, Nash Community College and Trillium MCO (managed care organization), providing mental health services.

The annual budget serves as the foundation for Nash County's financial planning and control. As required by the North Carolina Budget and Fiscal Control Act, the County adopts an annual budget for all governmental and proprietary operating funds except those authorized by project ordinance that are multi-year in nature. Appropriations to the various funds are formally budgeted on a departmental or project level. However, for internal accounting purposes, budgetary control is maintained by object class (line item account). In accordance with state law, the County's budget is prepared on the modified accrual basis. Its accounting records also are maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a fund liability is incurred, except for unmatured principal and interest on long-term debt and certain compensated absences. Governmental Fund types, such as the County's General Fund, Special Revenue Funds, and Capital Project Funds are reported on the modified accrual basis in the financial statements.

All Nash County departments and outside agencies are required to submit requests for appropriation to the County Manager on or before March 15 each year. The County Manager uses these requests as the starting point for developing a proposed budget. The County Manager then presents a proposed budget to the commissioners for review at the May commissioners meeting. The commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of Nash County's fiscal year.

The County Manager is authorized to transfer appropriations within a department. Transfers between departments and budget increases or decreases over \$5,000 require the formal approval of the Board of Commissioners at monthly meetings. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. Governmental funds, other than the general fund, with appropriated annual budgets, are presented in the combining and individual fund financial statements. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Nash County operates.

## ***Local economy***

The local economy of Nash County is well diversified. The largest sectors of employment are comprised of manufacturing (18.18%), health care and social assistance (14.10%), retail trade (12.76%), and accommodation & food services(10.66%).

The County saw a 0.2% decline in unemployment to 5.8% from the previous year's 6.0% but is still higher than the state's 4.2% unemployment. The local economy has experienced growth in the tax base and future employment opportunities to the area through the expansion of existing industry and newly located industries. Major manufacturing operations in Nash County include diesel engine, tobacco processing, pharmaceutical, security lock and aerospace.

Berry Global, a manufacturer of plastic containers for the pharmaceutical and food industry has increased production at the Whitakers Business and Industry Center (WBIC) facility and invested \$8 million in new equipment and created 23 new positions. Hubble Inc. a manufacturer of concrete polymer products for the utility industry has expanded their products with a new polymer line and invested \$12.5 million in a new line at their Rocky Mount plant and created 10 new positions. Atlantic Natural Foods, a vegan protein foods manufacturer, consolidated their operations at their Nashville facility located at the Nashville Business Center, and invested \$1.5 million in redevelopment of their facility and created 15 new positions. Pfizer, a pharmaceutical manufacturer has finished an additional 100,000 sq. ft. addition to their facility at an estimated investment of \$500 million and 600 new jobs, over the past 6 years.

Active new and existing economic development projects for Nash County total 33 projects with a 6,838 job count and potential new tax base of over \$1.5 billion. Although all of these projects will not be announced, the activity in Nash County is at an all-time high.

Nash County retail sales increased by an estimated 4% from \$ 1,048,439,290 in total sales during 2017 to \$1,090,398,938 in fiscal year 2018.

Nash County is home to more than 400 farming operations of various sizes. A few more than half of the primary farm operators indicate their primary occupation to be farming. Interestingly, approximately two-thirds of Nash crop land is owned by non-farming landowners, who lease their land to active farmers. The Voluntary Agriculture District incorporates 9,371 acres making up 213 land parcels in the county. Soybean is the largest crop grown in the county at 29,592 acres. Most of the Nash County soybean crop is crushed and used as a protein supplement in livestock feed rations. Flu-cured tobacco acreage increased 119 acres to 8,454 acres. Wheat acreage is relatively stable at 2,934 acres. Cotton acreage significantly increased over 2,000 acres to 9,908 acres after a drastic decrease in 2016. Farmers reported planting 8,136 acres of sweet potatoes with 90.5% being the Covington variety making Nash County #3 in the state for overall production.

New agriculture crops include Stevia at 74 acres and Industrial Hemp at 10.5 acres. Poultry and eggs continue to be Nash County's highest valued agricultural commodities, with flu-cured tobacco and sweet potatoes close behind. While crop farmers suffer from lower crop market prices, livestock and poultry production benefits from the currently lower prices for corn and wheat and moderate soybean prices. Crop Production in Nash County ranks fifth statewide with a value of approximately \$101 million while overall agriculture production (field crops, livestock, dairy, and poultry combined) generated \$171.5 million cash receipts.

### ***Long-Term Financial Planning***

Unassigned fund balance in the general fund (31.34% of total general fund expenditures) falls within the policy guidelines set by the Board of Commissioners. Nash County Fiscal Policy for Reserves states the amount should be no less than 15% at close of each fiscal year. The Board has made one-time use of fund balance for capital expansion for property acquisitions and improvements.

### ***Economic Development:***

Middlesex Corporate Centre: September 2017 the County entered an installment financing contract for \$1.7 for the construction of a 60,000 square foot Shell Building at the Middlesex Corporate Centre. Construction of the building is expected to be completed by December 2018. Golden LEAF awarded \$1.25 million in Community Based Grantsmaking Initiative funds for Nash County and the Town of Middlesex to extend water, sewer, and Corporation Parkway to the building.

Housing Programs: Using \$174,973 in 2016 and 2017 Urgent Repair grant funds, Nash County helped 26 single family homes. Eighteen were occupied by "very low income" residents, 8 by "low income" residents, 16 included elderly residents, 18 included disabled residents and 2 included military veterans.

High Speed Internet: Nash County re-issued a Request for Proposal in its next step toward a partnership with a private provider to expand high speed internet to the unserved and underserved areas of the County. The County awarded a pilot project contract to Cloudwyze expecting completion of the project in the Spring of 2019. The results of the project will determine if the County commits to a full partnership agreement.

### ***Utilities:***

Northern Nash Water/Sewer District: Nash County was approved for a State Loan and Grant from the Water Infrastructure Fund through the North Carolina Department of Environmental Quality, Division of Water Infrastructure (DWI) in the amount of \$9,545,000. The State Loan offered is \$6,545,000 and the Grant is \$3,000,000. The project authorized is the Northern Nash Water Sewer System Project for the purpose of extending water lines to areas in Red Oak and Dortches, North Carolina. The Towns of Red Oak and Dortches have committed

funding for 10 years on the project and surveying has begun. This project is currently in the design phase.

Due to the current Construction and Demolition (C&D) Landfill estimated to be at full capacity by 2019, the County issued a Request for Proposal and awarded a contract in December 2017 to begin the expansion of the Nash County C&D Landfill Phase 4. The project was completed in July 2018. This landfill expansion phase should add 5 to 7 years of life to our ongoing operation. Other cell expansions (phases) are expected to add 25 years to our total landfill capacity.

### ***Technology:***

The County's Management Information Systems (MIS) department upgraded the main storage area networks at the Claude Mayo Administration Building and the 911 Backup Center locations in order to accommodate the expanding need for data storage and retrieval. In addition, a backup solution was implemented that allows for more granular data backups and also allowing for remote site backup and storage.

The Remote Site Connectivity solution for the County continues to evolve. In an effort to increase network bandwidth, security and provide dedicated connectivity to remote units of Nash County Government, a new upgraded internet connection was brought online. MIS has begun establishing connectivity to three remote sites – EMS 800, Nash County Health Department Rocky Mount branch, and the Nash County Agricultural Center.

### ***Recreation and Senior Services***

Southern Nash Senior Center: Construction of a new Southern Nash Senior Center began April 2018. The Center is located at the Bailey Middlesex Community Park in Bailey, NC. The Center is planned to be approximately 5,000 square foot building which is in line with the Towns concept including a future Community Building. An anticipated completion date is December 2018.

Miracle Park at Coopers: The Miracle Park, which will be located in the Coopers Area of Nash County will provide handicapped accessible equipment, walking trails and baseball fields along with various other activity areas. The project is currently in the design phase with construction expected to begin in November 2018 with completion of the park anticipated as June 2019.

### ***General***

Courthouse Expansion Project: The new addition to the Nash County Courthouse (Phase 1) was completed August 2018. The final renovations for the project are expected to be completed by December 2018.

## **Awards**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Nash County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This makes the twenty-seventh consecutive year Nash County received the award. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

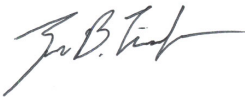
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

## **Acknowledgements**

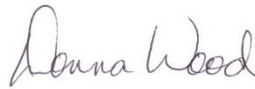
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report and to the county's independent certified public accountants, Thompson, Price, Scott, Adams & Co., P.A. for their assistance and guidance. Credit also must be given to the members of the Board of Commissioners for their continuing interest and support in conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

NASH COUNTY, NORTH CAROLINA



Zee B. Lamb  
County Manager



Donna Wood  
Finance Officer



# **NASH COUNTY, NORTH CAROLINA**

**June 30, 2018**

## **Board of County Commissioners**

*Robbie B. Davis, Chairman*

*Wayne Outlaw, Vice Chairman  
Fred Belfield, Jr.  
Dan Cone*

*Lou M. Richardson  
Mary Wells  
Lisa Barnes*

## **County Officials**

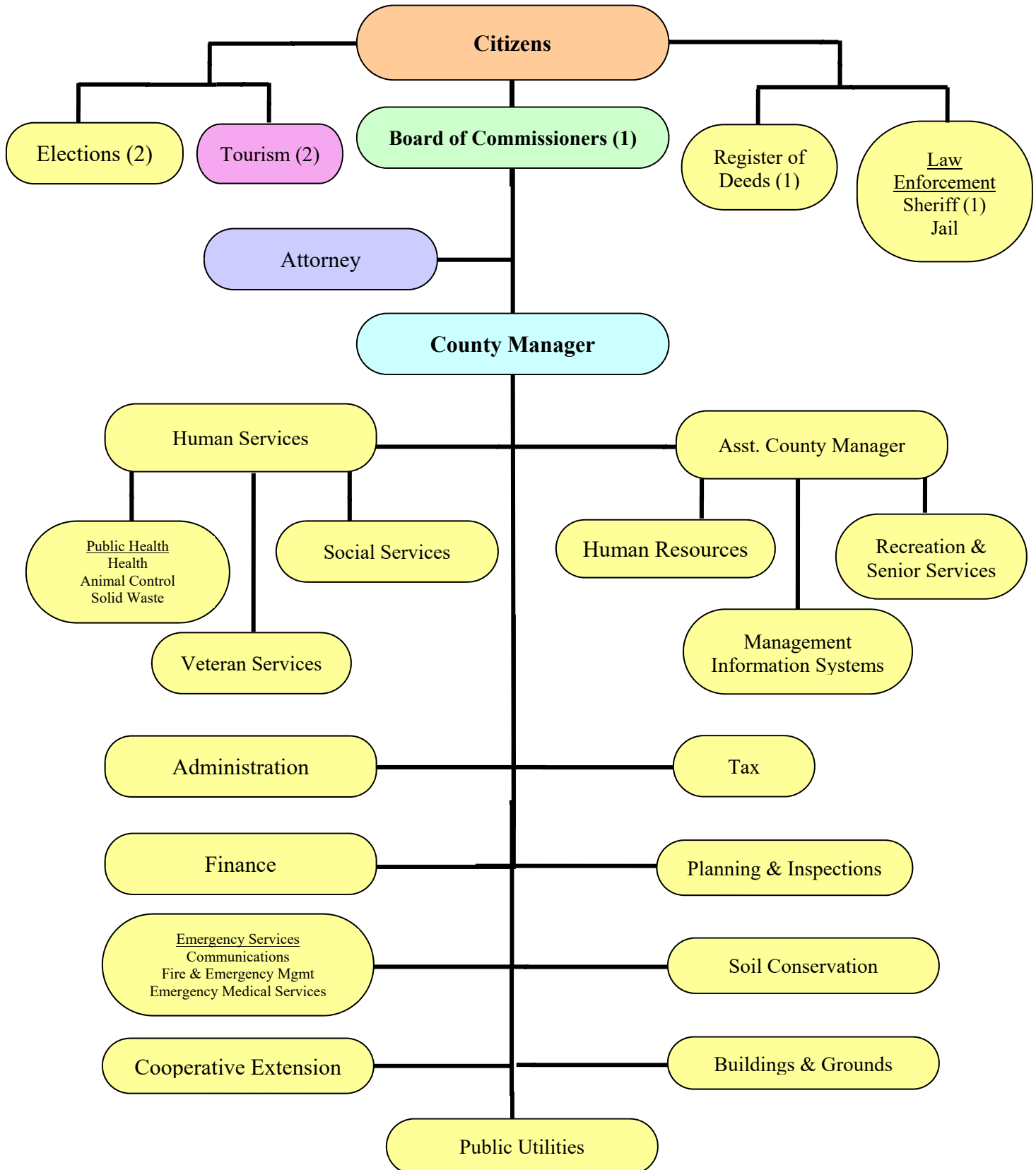
*County Manager  
Assistant County Manager  
Finance Officer  
County Attorney*

*Zee B. Lamb  
Stacie Shatzer  
Donna Wood  
Vince Durham*

*Sheriff  
Register of Deeds  
Tax Administrator  
Grants & Intergovernmental Relations  
County Engineer/Public Works Director - Interim  
Director of Health and Human Services/  
Health Director/Solid Waste Director  
Social Service Director  
Emergency Services Director  
Veteran Service Officer  
Information Technology Director  
Elections Director  
Soil and Water Director  
Planning and Inspections Director  
Human Resources Director  
Senior Services Director  
Parks and Recreation Director  
Cooperative Extension Director*

*Keith Stone  
Anne Melvin  
Jim Wrenn  
Patsy McGhee  
Michael Phillips  
  
William Hill  
Amy Pridgen  
Brian Brantley  
Tyler Staverman  
Sandi Vick  
John Kearney  
Valerie Harris  
Nancy Nixon  
Anison Kirkland  
Michele Mcknight  
Thomas Gillespie  
Sandy Hall*

# Nash County Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Nash County**  
**North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

## FINANCIAL SECTION



**Thompson, Price, Scott, Adams & Co, P.A.**

**P.O Box 398  
1626 S. Madison Street  
Whiteville, NC 28472  
Telephone (910) 642-2109  
Fax (910) 642-5958**

**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Nash County  
Nashville, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Nash County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise Nash County basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements bases on our audit. We did not audit the financial statements of the Nash Health Care Systems and Subsidiaries which represents 98.5 percent, 98.0 percent, and 94.6 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We did not audit the financial statements of Nash County ABC Board, which represents 1.3 percent, 1.6 percent, and 4.9 percent, respectively, percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Nash Health Care Systems and Subsidiaries and the Nash County ABC Board, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Nash County, North Carolina as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Other Postemployment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, County Contributions, and Investment Returns, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Nash County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2018 on our consideration of Nash County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Nash County's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., P.A.*

---

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 19, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Nash County, we offer readers of Nash County's financial statements this narrative overview and analysis of the financial activities of Nash County for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

- The assets and deferred outflows of resources of Nash County primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$17,313,683 (net position). Unrestricted net position is negative (\$58,184,573) as a result of the implementation of GASB 75.
- As of the close of the current fiscal year, Nash County's governmental funds reported combined ending fund balances of \$55,205,843 after a decrease of \$6,559,578. Approximately 24.76 percent of this total amount or, \$13,668,740, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$28,319,089 or 31.37 percent of total general fund expenditures for the fiscal year.
- The County's tax rate was unchanged at 67 cents per \$100 valuation.
- Nash County's total debt decreased by \$3,379,231 during the current fiscal year. The key factor in this decrease was the scheduled debt repayments. Nash County's debt service for Governmental Funds accounts for 5.95% of total governmental expenditures.
- Nash County maintained its ratings by Standard & Poor's, AA- and Aa2 by Moody's. Additionally, the County's Limited Obligation Bonds are rated Aa3 by Moody's and A+ by Standard & Poor's.

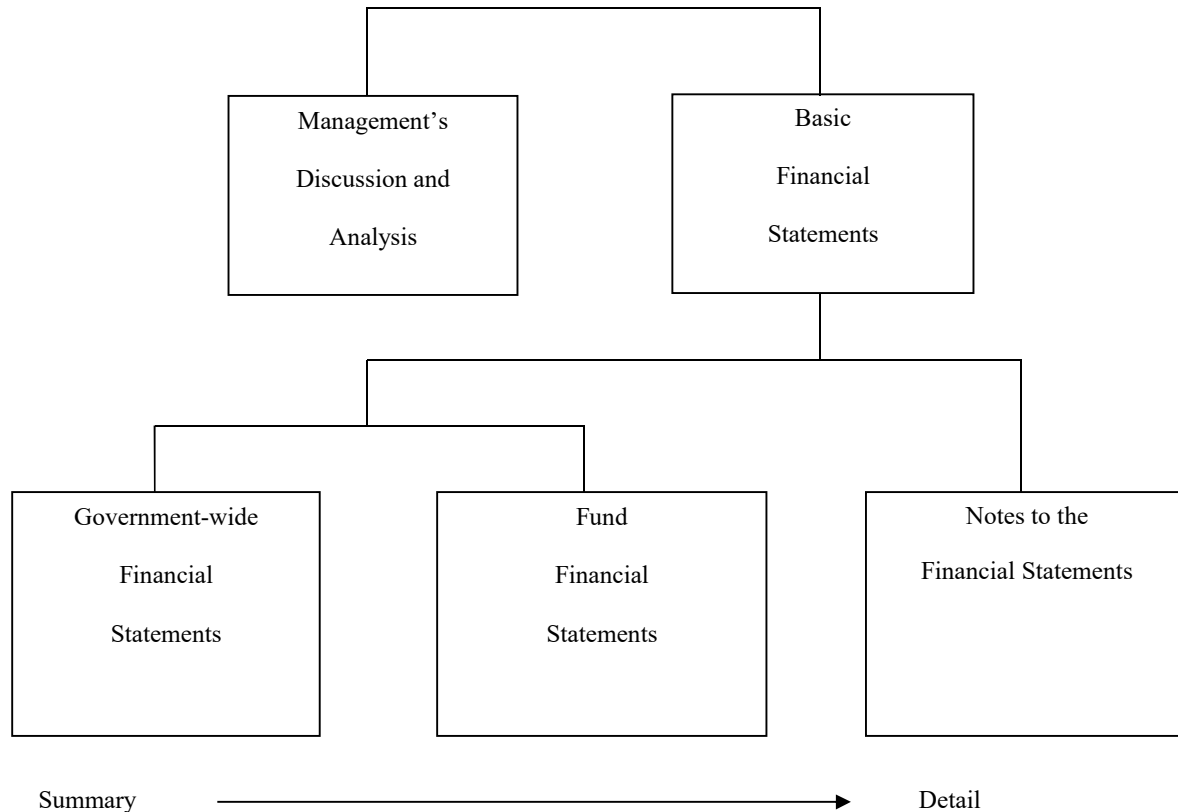
### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Nash County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Nash County.



## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the enterprise fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes can also be found in this part of the statements. Following the non-major governmental funds are the Enterprise Funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. After the Enterprise funds are the Agency Funds. Agency funds are used to account for assets held by the County as an agent for individuals and local governments. Following the Agency funds are other schedules. These schedules contain additional information required on property taxes.

## **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's and the discretely presented component units' basic services such as general government, public safety, transportation, economic and physical development, human services, cultural and education. Property taxes, sales taxes, and State and Federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These activities include water and sewer, and solid waste services offered by Nash County. The final category is the component units. Nash Health Care Systems is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 30 years. The County appoints the Board of Trustees for the Hospital and has issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The Nash County Tourism Authority is also a component unit of Nash County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Nash County, like other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Nash County can be divided into three categories: governmental funds, enterprise funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Nash County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** – Nash County maintains two kinds of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Nash County uses its enterprise fund to account for its water and sewer activity and for its solid waste management function. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Nash County uses Internal Service Funds to account for its employee group insurance and workers compensation insurance. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Nash County has three agency funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are in the financial section of this report.

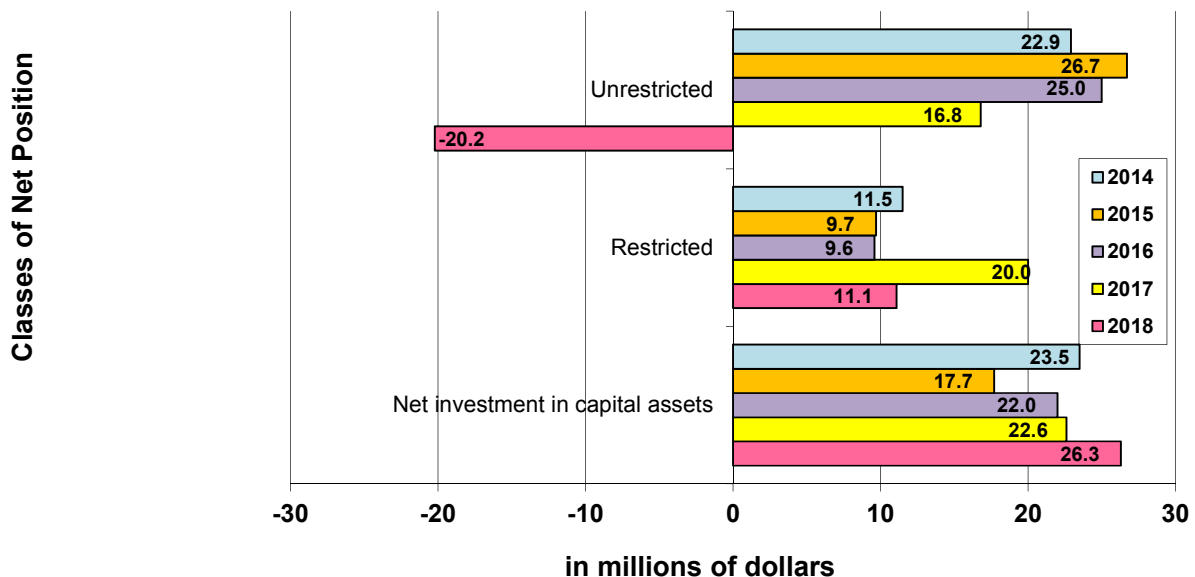
**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Nash County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. This information can be found in the Required Supplementary Information section of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$17,313,683 as of June 30, 2018. The County's net position decreased by \$42,168,017 for the fiscal year ended June 30, 2018, due primarily to the implementation of GASB 75. One of the largest portions, \$63,952,299 (369.37%) reflects the County's net investment in capital assets (e.g. land, buildings, improvements, machinery, and equipment net of any related outstanding debt of those assets). Nash County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Nash County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Nash County's net position \$11,545,957 (66.69%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of negative \$58,184,573 (336.06%) is unrestricted. Unrestricted net position is negative as a result of the implementation of GASB 75.

**Nash County's Net Position**  
**Figure 2**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 63,760,371	\$ 69,734,972	\$ 7,352,651	\$ 7,346,028	\$ 71,113,022	\$ 77,081,000
Capital assets	58,420,914	48,934,066	33,459,242	33,720,433	91,880,156	82,654,499
Total assets	122,181,285	118,669,038	40,811,893	41,066,461	162,993,178	159,735,499
Total deferred outflows of	8,119,613	9,821,215	178,155	229,166	8,297,768	10,050,381
Long-term liabilities outstanding	124,626,890	88,575,919	18,129,606	17,470,238	142,756,496	106,046,157
Other liabilities	3,951,305	3,104,930	788,607	621,367	4,739,912	3,726,297
Total liabilities	128,578,195	91,680,849	18,918,213	18,091,605	147,496,408	109,772,454
resources	6,322,119	521,309	158,736	10,417	6,480,855	531,726
Net position:						
Net investment in capital asset	43,546,457	2,287,955	20,405,842	20,342,933	63,952,299	22,630,888
Restricted	11,545,957	20,067,358	-	-	11,545,957	20,067,358
Unrestricted	(59,691,830)	13,932,782	1,507,257	2,850,672	(58,184,573)	16,783,454
Total net position	\$ (4,599,416)	\$ 36,288,095	\$ 21,913,099	\$ 23,193,605	\$ 17,313,683	\$ 59,481,700



Several particular aspects of the County's financial operations influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by increasing the collection percentage from 98.57% to 98.73%.
- Managements proactive stance on monitoring spending across county departments to ensure compliance with the budget.
- Note that the net position decreased substantially during the year as a result of the implementation of GASB 75, which required a restatement that decreased beginning net position by \$43,801,989 and \$1,103,680 in the governmental and proprietary funds, respectively.

### Nash County's Changes in Net Position

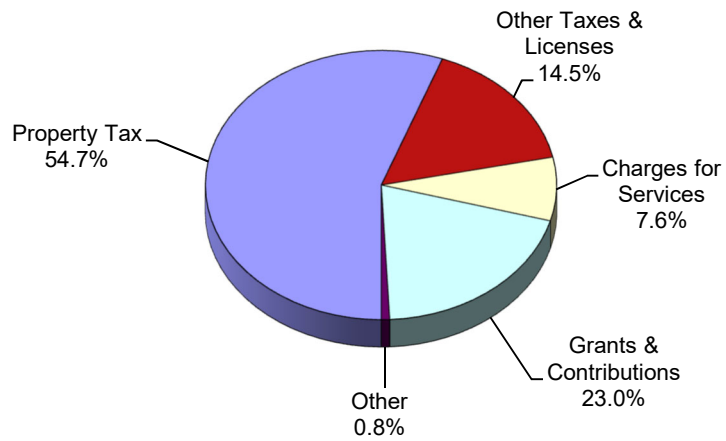
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 7,272,853	\$ 7,118,914	\$ 5,248,489	\$ 5,242,329	\$ 12,521,342	\$ 12,361,243
Operating grants and contributions	17,255,569	20,373,566	-	-	17,255,569	20,373,566
Capital grants and contributions	1,759,337	2,144,953	67,716	886,537	1,827,053	3,031,490
General revenues:						
Property taxes	53,078,404	53,962,364	-	-	53,078,404	53,962,364
Sales taxes	14,858,386	14,334,997	-	-	14,858,386	14,334,997
Excise tax	306,263	245,636	-	-	306,263	245,636
Other taxes	92,737	91,602	-	-	92,737	91,602
Other	726,163	400,211	116,306	36,797	842,469	437,008
Total revenues	95,349,712	98,672,243	5,432,511	6,165,663	100,782,223	104,837,906
Expenses:						
General government	10,875,628	10,642,877	-	-	10,875,628	10,642,877
Public safety	27,342,543	26,152,615	-	-	27,342,543	26,152,615
Transportation	325,740	308,337	-	-	325,740	308,337
Economic and physical development	2,283,245	3,357,761	-	-	2,283,245	3,357,761
Human services	24,078,056	27,149,936	-	-	24,078,056	27,149,936
Cultural and recreation	1,782,745	1,725,372	-	-	1,782,745	1,725,372
Education	24,163,660	24,513,798	-	-	24,163,660	24,513,798
Interest on long-term debt	1,407,717	1,900,707	-	-	1,407,717	1,900,707
Water and Sewer	-	-	3,076,014	2,599,265	3,076,014	2,599,265
Solid Waste Disposal	-	-	2,709,223	2,642,404	2,709,223	2,642,404
Total expenses	92,259,334	95,751,403	5,785,237	5,241,669	98,044,571	100,993,072
Increase in net position before Transfers and special items	3,090,378	2,920,840	(352,726)	923,994	2,737,652	3,844,834
	(175,900)	302,423	175,900	(302,423)	-	-
Change in net position	2,914,478	3,223,263	(176,826)	621,571	2,737,652	3,844,834
Net position, beginning	36,288,095	33,997,054	23,193,605	22,572,034	59,481,700	56,569,088
Restatement	(43,801,989)	(932,222)	(1,103,680)	-	(44,905,669)	(932,222)
Net position, beginning, restated	(7,513,894)	33,064,832	22,089,925	22,572,034	14,576,031	55,636,866
Net position, ending	\$ (4,599,416)	\$ 36,288,095	\$ 21,913,099	\$ 23,193,605	\$ 17,313,683	\$ 59,481,700

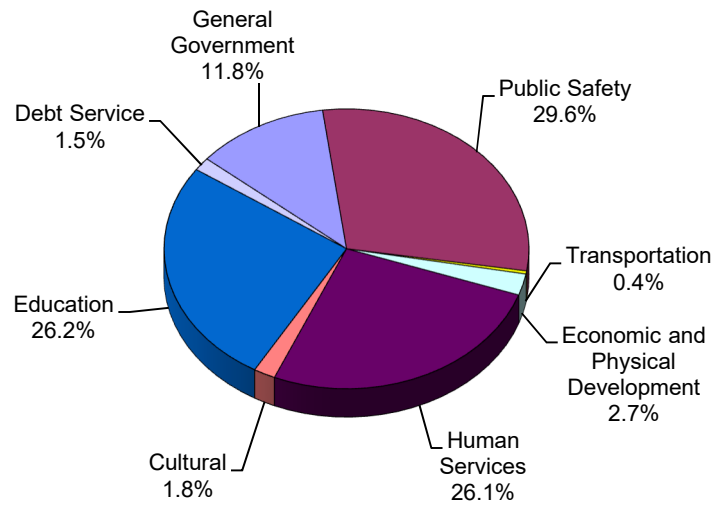
**Governmental activities.** Governmental activities increased the County's net position by \$2,914,478 from the prior year. Key elements of this increase are as follows:

- Sales tax revenues reflect a growth in the County's economy showing an increase of \$523,389 over fiscal year 2017.
- Decreases are reflected in expenses for Economic and Physical Development and Human Services in the amounts of \$1,074,516 and \$3,071,880, respectively.
- Decreases were also reflected in Operating Grants, and Capital Grants in the amounts of \$3,117,997 and \$385,616, respectively.

**Governmental Activities Revenue Sources  
For Fiscal Year 2018**



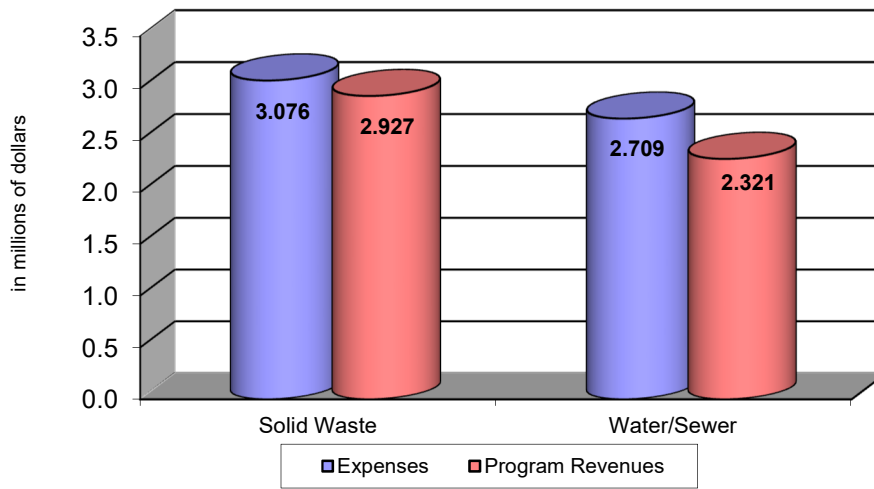
**Governmental Activities Functional Expenses  
For Fiscal Year 2018**



**Business-type activities.** Business-type activities decreased Nash County’s net position by \$176,826 over prior year. Key elements of this decrease are as follows:

- There was a decrease from the prior year in Capital Grants in the amount of \$818,821.
- There was an increase from the prior year in operating expenses of \$543,568.

**Business-type Activities  
2017-18 Expenses and Program Revenues**



### Financial Analysis of the County’s Funds

As noted earlier, Nash County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Nash County’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Nash County’s financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of Nash County. At the end of the current fiscal year, Nash County's fund balance available in the General Fund was \$36,531,925, while total fund balance reached \$42,676,518. The Governing Body of Nash County has determined that the county should maintain an available fund balance of 15% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the county. The County currently has an available fund balance of 40.46%, while total fund balance represents 47.27% of that same amount

At June 30, 2018, the governmental funds of Nash County reported a combined fund balance of \$55,205,843, a 10.62% percent decrease from the previous year. The primary reason for this decrease was a result of the County paying Courthouse Expansion Capital Project costs in the current year.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$1,337,622 or 1.54% due primarily to increase in restricted inter-governmental revenues.

Differences between the original budget and final budget are briefly summarized as follows:

- \$1,002,749 in Human Services due primarily to increased funding for DSS
- \$178,817 in Public Safety for Community Paramedic and Hazardous Safety Grant funds.

**Proprietary Funds.** Nash County's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water/Sewer Fund and Solid Waste Fund at the end of the fiscal year amounted to (\$184,490) and \$1,726,775 respectively and those for Central Nash Water and Sewer District equaled (\$35,028). The total change in net position was an decrease of \$176,826. This change was primarily the result of operating expenses exceeding operating revenues. The Utilities Fund includes operation of the Water/Sewer and Solid Waste Disposal Divisions. Other factors concerning the finances of this fund are addressed in Nash County's business-type activities later in this discussion.

### Capital Asset and Debt Administration

**Capital Assets.** Nash County's capital assets for its governmental and business-type activities as of June 30, 2018, totals \$91,880,156 (net of accumulated depreciation). These assets include land and improvements, buildings, infrastructure, furniture and equipment vehicles, and construction in progress. The total net position for all proprietary funds is \$21,913,099.

Major capital asset transactions during the year include:

- Retirement and replacement of vehicles and equipment for Public Safety.
- Construction in progress on the Courthouse Expansion, Middlesex Shell Building, the Senior Center/Miracle Park Capital Project, and the Public Safety Radio Project.
- Addition of construction in progress for the Northern Nash Water System Project and the C&D Landfill Expansion project.

**Nash County's Capital Assets  
(net of depreciation)  
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and improvements	\$ 10,364,445	\$ 10,381,832	\$ 463,898	\$ 538,227	\$ 10,828,343	\$ 10,920,059
Buildings	30,157,927	31,151,913	13,591	15,353	30,171,518	31,167,266
Infrastructure	351,813	365,979	32,196,586	33,004,135	32,548,399	33,370,114
Furniture and equipment	2,680,153	2,624,386	47,529	79,603	2,727,682	2,703,989
Vehicles	854,014	734,722	30,989	55,873	885,003	790,595
Construction in progress	14,012,562	3,675,234	706,649	27,242	14,719,211	3,702,476
Total	<u>\$ 58,420,914</u>	<u>\$ 48,934,066</u>	<u>\$ 33,459,242</u>	<u>\$ 33,720,433</u>	<u>\$ 91,880,156</u>	<u>\$ 82,654,499</u>

Additional information on the County's capital assets can be found in notes to the Financial Statements.



**Long-term Debt.** As of June 30, 2018, Nash County had total debt outstanding of \$67,333,748. Of this amount, \$19,351,000 (28.74%) represents bonds secured by specified revenue sources. Total debt decreased \$3,379,231 during the past fiscal year, primarily as a result of planned principal payments on general obligation bonds and notes payable.

**Nash County's Outstanding Debt  
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Installment Purchase						
Contracts	\$ 41,373,641	\$ 42,261,311	\$ 1,142,400	\$ 1,273,500	\$ 42,516,041	\$ 43,534,811
Capital Lease	469,967	744,779	-	-	469,967	744,779
Water Bonds	-	-	11,911,000	12,104,000	11,911,000	12,104,000
Limited Obligation Bonds	4,695,000	6,100,000	-	-	4,695,000	6,100,000
General Obligation Bonds	7,440,000	7,905,000	-	-	7,440,000	7,905,000
Discount on Bond Issuance	301,740	324,389	-	-	301,740	324,389
Total Debt	<u>\$ 54,280,348</u>	<u>\$ 57,335,479</u>	<u>\$ 13,053,400</u>	<u>\$ 13,377,500</u>	<u>\$ 67,333,748</u>	<u>\$ 70,712,979</u>

Nash County's General Obligation Bonds are currently rated Aa2 by Moody's and AA- by Standard & Poor's. Additionally, the County's Limited Obligation Bonds are rated Aa3 by Moody's and A+ by Standard & Poor's.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Nash County is \$573,442,827 for 2018 which is significantly more than Nash County's general obligation debt. The County has \$7,440,000 in General Obligation Bonds and \$11,911,000 in Water & Sewer Bonds at June 30, 2018.

Additional information regarding Nash County's long-term debt can be found in the notes to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the economic situation for Nash County.

- The June 2018 unemployment rate for Nash County is 5.8% down from 6.0% in prior year. The County's rate is slightly higher than the state average of 4.2%.
- Population of the County has remained consistent at approximately 94,420.
- Median household income for Nash County is approximately \$45,000.

Additional information regarding economic factors is provided in the statistical section of the CAFR.

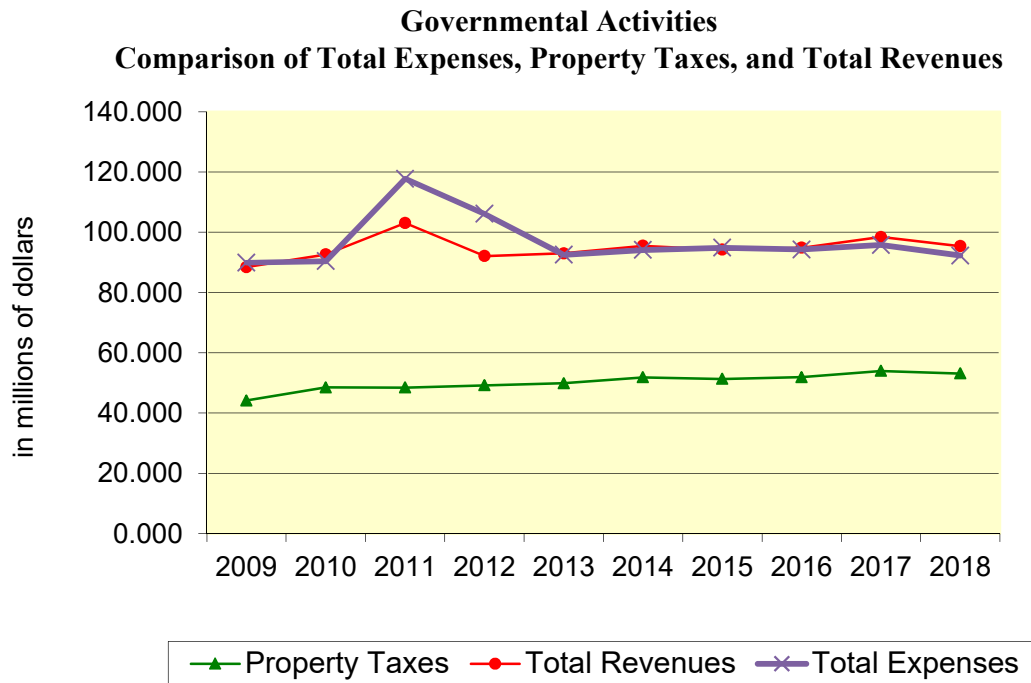
### **Budget Highlights for Fiscal Year Ending June 30, 2019**

#### **Government Activities**

The County continued to employ a fiscally conservative approach in preparing and adopting the fiscal year 2018-19 County Budget, an approach that has proven to be very effective and beneficial to the County. Property tax revenue is a significant revenue source for the County General Fund and the fiscal year 2018-19 budget was developed using tax values resulting from January 1, 2018 County-wide valuation. The fiscal year 2018-19 budget held the property tax rate the same at .67/\$100, which is a solid indication of the County leaders' commitment to thoroughly evaluate budget requests, fund necessary operations, and keep the tax burden as low as possible.

The tax base is projected to provide revenues of \$48,593,225 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$7,330,000,000 for fiscal year 2018-19. Property taxes and expected increases in sales tax from economic growth and the State's changes to the distribution method in the previous year are primary sources for increase in revenue projections. No tax increase was approved in the fiscal year 2019 budget.

Budgeted expenditures for fiscal year 2018-19 in the General Fund reflect an increase from the previous fiscal year original budget of 4.0% to \$93,928,346. This is due primarily to employee compensation with a budgeted 5% cost of living adjustment. The fiscal year 2018-19 budget appropriates \$2,800,000 of assigned fund balance and \$2,033,062 from other fund balance reserves, to balance the general fund budget.



### Business Type Activities

The water/sewer rates in the County will increase based on a change in the tiered rates for industrial and residential and a water use base rate change from \$20 to \$30 for residential customers for fiscal year 2018-2019, primarily to cover increased costs of operations. The budgeted expenditures increased for the Water/Sewer Fund 8.6% over the prior year budget primarily to cover operational requirements including an approved 5% cost of living adjustment in employee compensation.

The solid waste rates in the County will remain the same for fiscal year 2018-2019. These rates should adequately cover the costs of operations. The budgeted expenditures increased for the Solid Waste Fund by only 1.8% over the prior year budget. The solid waste activities budget increase is due primarily to the cost of living adjustment of 5% offset by a decrease in anticipated equipment maintenance over the prior year.

### Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Nash County, 120 W. Washington St., Suite 3072, Nashville, NC 27856. You can also call (252)-459-9802, visit our website [www.co.nash.nc.us](http://www.co.nash.nc.us) or send an email to [donna.wood@nashcountync.gov](mailto:donna.wood@nashcountync.gov) for more information.

BASIC  
FINANCIAL STATEMENTS

**Nash County, North Carolina**  
**Statement of Net Position**  
**June 30, 2018**

	Primary Government			Discretely Presented Component Units			Total Reporting Unit
	Governmental Activities	Business-type Activities	Total	Nash County Tourism Development	Nash Health Care Systems	Nash County ABC Board	
<b>ASSETS</b>							
Cash and cash investments	\$ 51,570,576	\$ 6,887,880	\$ 58,458,456	\$ 959,125	\$ 115,644,692	\$ 1,879,295	\$ 176,941,568
Restricted cash and cash equivalents	2,643,089	308,128	2,951,217	-	109,366,928	-	112,318,145
Taxes receivable (net)	2,113,266	-	2,113,266	86,324	-	-	2,199,590
Accrued interest receivable on taxes	430,143	-	430,143	-	-	-	430,143
Accounts receivables (net)	766,943	355,643	1,122,586	-	26,491,893	-	27,614,479
Due from other governments	4,876,145	-	4,876,145	-	-	-	4,876,145
Internal Balances	199,000	(199,000)	-	-	-	-	-
Prepaid items	25,075	-	25,075	-	5,942,543	-	5,967,618
Inventories	-	-	-	-	5,306,901	1,299,095	6,605,996
Net investment in Joint Venture	993,900	-	993,900	-	-	-	993,900
Net Pension Asset	142,234	-	142,234	-	-	-	142,234
Other Assets	-	-	-	-	13,623,332	-	13,623,332
Capital assets:							
Land, improvements, and construction in progress	24,191,496	1,014,834	25,206,330	-	4,732,707	465,821	30,404,858
Other capital assets, net of depreciation	34,229,418	32,444,408	66,673,826	-	129,006,421	1,734,850	197,415,097
Total capital assets	58,420,914	33,459,242	91,880,156	-	133,739,128	2,200,671	227,819,955
Total assets	122,181,285	40,811,893	162,993,178	1,045,449	410,115,417	5,379,061	579,533,105
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Charge on Refunding	1,492,257	-	1,492,257	-	-	-	1,492,257
Pension deferrals	3,061,830	144,984	3,206,814	-	11,815,487	167,579	15,189,880
OPEB deferrals	1,272,778	33,171	1,305,949	-	1,372,691	13,967	2,692,607
LEOSSA deferrals	126,376	-	126,376	-	-	-	126,376
Contributions to pension plan in current year	2,166,372	-	2,166,372	-	-	-	2,166,372
<b>Total Deferred Outflows of Resources</b>	8,119,613	178,155	8,297,768	-	13,188,178	181,546	21,667,492
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	3,259,664	636,840	3,896,504	24,384	41,302,609	411,336	45,634,833
Accrued interest payable	491,641	42,639	534,280	-	-	-	534,280
Distribution payable	-	-	-	-	-	58,467	58,467
Customer deposits	-	109,128	109,128	-	-	-	109,128
Deposit - Earnest Funds	200,000	-	200,000	-	-	-	200,000
Long-term liabilities:							
Due within one year:							
Accrued postclosure liability	-	-	-	-	-	-	-
Long-term debt	4,641,182	330,100	4,971,282	-	2,420,000	-	7,391,282
Compensated absences	133,624	1,167	134,790	-	-	-	134,790
Due in more than one year:							
Accrued postclosure liability	-	3,335,132	3,335,132	-	-	-	3,335,132
Long-term debt	49,639,166	12,723,300	62,362,466	-	100,569,660	-	162,932,126
Compensated absences	2,538,850	22,168	2,561,019	-	-	-	2,561,019
Net Pension Liability (LGERS)	6,785,537	191,879	6,977,416	-	-	346,237	7,323,653
Total Pension Liability (LEOSSA)	2,341,157	-	2,341,157	-	-	-	2,341,157
Other postemployment benefits	58,547,374	1,525,860	60,073,234	-	-	212,971	60,286,205
Pension Liability	-	-	-	-	1,946,942	-	1,946,942
Total long-term liabilities	124,626,890	18,129,606	142,756,496	-	104,936,602	559,208	248,252,306
Total liabilities	128,578,195	18,918,213	147,496,408	24,384	146,239,211	1,029,011	294,789,014
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Prepaid property taxes	254,261	-	254,261	-	-	-	254,261
Pension deferrals	276,602	7,804	284,406	-	4,953,737	7,590	5,245,733
OPEB deferrals	5,791,256	150,932	5,942,188	-	27,431	(8,594)	5,961,025
LEOSSA deferrals	-	-	-	-	-	-	-
Total deferred inflows of resources	6,322,119	158,736	6,480,855	-	4,981,168	(1,004)	11,461,019
<b>NET POSITION</b>							
Net investment in capital assets	43,546,457	20,405,842	63,952,299	-	32,246,596	2,200,671	98,399,566
Restricted for:							
Register of deeds	-	-	-	-	-	-	-
Stabilization by state statute	6,176,526	-	6,176,526	86,324	-	-	6,262,850
General Government	63,903	-	63,903	-	-	-	63,903
Public Safety	3,293,082	-	3,293,082	-	-	-	3,293,082
Transportation	27,438	-	27,438	-	-	-	27,438
Economic Development	25,833	-	25,833	934,741	-	-	960,574
Human Services	1,686,538	-	1,686,538	-	-	-	1,686,538
Cultural and Recreational	272,637	-	272,637	-	-	-	272,637
Pension	-	-	-	-	12,405,265	-	12,405,265
Working Capital	-	-	-	-	-	326,565	326,565
Unrestricted (deficit)	(59,691,830)	1,507,257	(58,184,573)	-	227,431,355	2,005,364	171,252,146
Total net position	\$ (4,599,416)	\$ 21,913,099	\$ 17,313,683	\$ 1,021,065	\$ 272,083,216	\$ 4,532,600	\$ 294,950,564

Nash County, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	Component Units
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 10,875,628	\$ 2,096,909	\$ -	\$ -	\$ (8,778,719)	\$ -	\$ (8,778,719)	\$ -
Public safety	27,342,543	4,813,624	418,687	926,984	(21,183,248)	-	(21,183,248)	-
Transportation	325,740	-	-	185,710	(140,030)	-	(140,030)	-
Environmental protection	-	147,923	-	-	147,923	-	147,923	-
Economic and physical development	2,283,245	-	98,989	646,643	(1,537,613)	-	(1,537,613)	-
Human services	24,078,056	214,397	16,737,893	-	(7,125,766)	-	(7,125,766)	-
Cultural and recreation	1,782,745	-	-	-	(1,782,745)	-	(1,782,745)	-
Education	24,163,660	-	-	-	(24,163,660)	-	(24,163,660)	-
Interest on long-term debt	1,407,717	-	-	-	(1,407,717)	-	(1,407,717)	-
Total governmental activities	92,259,334	7,272,853	17,255,569	1,759,337	(65,971,575)	-	(65,971,575)	-
Business-type activities:								
Water and Sewer	3,076,014	2,321,141	-	67,716	(687,157)	-	(687,157)	-
Solid Waste	2,709,223	2,927,348	-	-	218,125	-	218,125	-
Total business-type activities	5,785,237	5,248,489	-	67,716	(469,032)	-	(469,032)	-
Total primary government	\$ 98,044,571	\$ 12,521,342	\$ 17,255,569	\$ 1,827,053	(63,971,575)	-	(66,440,607)	-
<b>Component Units:</b>								
Nash County Tourism Development	\$ 769,892	\$ -	\$ 903,708	\$ -	-	133,816	-	133,816
Nash Health Care Systems	236,718,125	210,853,017	-	-	-	-	(25,865,108)	-
Nash County ABC Board	10,685,751	11,023,293	-	-	-	-	337,542	-
Total component units	\$ 248,173,768	\$ 221,876,310	\$ 903,708	\$ -	-	133,816	337,542	(25,393,750)
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purpose					53,078,404	-	53,078,404	-
Local option sales tax					14,858,386	-	14,858,386	-
Excise tax					306,263	-	306,263	-
Other taxes and licenses					92,737	-	92,737	-
Investment earnings, unrestricted					726,163	116,306	842,469	3,395
Transfers					(175,900)	175,900	-	-
Total general revenues, special items, and transfers					68,886,053	292,206	69,178,259	7,066,585
Change in net position					2,914,478	(176,826)	2,737,652	341,119
Net position-beginning					36,288,095	23,193,605	59,481,700	295,997,384
Restatement					(43,801,989)	(1,103,680)	(44,905,669)	(85,981)
Net position-beginning, restated					(7,513,894)	22,089,925	14,576,031	290,881,739
Net position-ending					\$ (4,599,416)	\$ 21,913,099	\$ 17,313,683	\$ 4,532,600
								\$ 294,950,564

**Nash County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	<b>Major</b>		<b>Non-Major</b>	
		<b>Courthouse</b>	<b>Other</b>	
	<b>General Fund</b>	<b>Expansion Capital Fund</b>	<b>Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 38,821,675	\$ 2,419,527	\$ 8,405,415	\$ 49,646,617
Cash and cash equivalents-Restricted	272,744	1,723,929	646,416	2,643,089
Taxes Receivable - net	2,113,266	-	-	2,113,266
Accounts Receivable - net	684,860	-	82,083	766,943
Due from other funds	212,245	-	-	212,245
Due from other governments	4,858,003	-	18,142	4,876,145
Prepaid items	25,075	-	-	25,075
Total assets	<u>\$ 46,987,868</u>	<u>\$ 4,143,456</u>	<u>\$ 9,152,056</u>	<u>\$ 60,283,380</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,743,823	\$ 190,679	\$ 562,263	\$ 2,496,765
Due to other funds	-	-	13,245	13,245
Earnest money deposit	200,000	-	-	200,000
Total liabilities	<u>1,943,823</u>	<u>190,679</u>	<u>575,508</u>	<u>2,710,010</u>
Deferred inflows of resources				
Prepaid taxes	254,261	-	-	254,261
Reserve for taxes receivable	2,113,266	-	-	2,113,266
Total deferred inflows of resources	<u>2,367,527</u>	<u>-</u>	<u>-</u>	<u>2,367,527</u>
Fund balances:				
Non-Spendable:				
Prepaid assets	25,075	-	-	25,075
Restricted:				
Stabilization by State statue	6,094,443	-	82,083	6,176,526
General Government	63,903	-	-	63,903
Public Safety	-	3,952,777	1,064,234	5,017,011
Transportation	-	-	27,438	27,438
Economic Development	-	-	672,249	672,249
Human Services	1,686,538	-	-	1,686,538
Cultural and Recreational	-	-	272,637	272,637
Committed:				
Economic Development	800,664	-	1,184,163	1,984,827
Cultural and Recreational	-	-	1,086,731	1,086,731
Tax Revaluation	103,744	-	-	103,744
Education	750,000	-	750,000	1,500,000
Assigned:				
Public Safety	-	-	1,183,681	1,183,681
General Government	-	-	2,253,332	2,253,332
Subsequent year's expenditures	4,833,062	-	-	4,833,062
Unassigned:	28,319,089	-	-	28,344,164
Total fund balances	<u>42,676,518</u>	<u>3,952,777</u>	<u>8,576,548</u>	<u>55,205,843</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 46,987,868</u>	<u>\$ 4,143,456</u>	<u>\$ 9,152,056</u>	<u>\$ 60,283,380</u>

**Nash County, North Carolina**  
**Reconciliation of the Governmental Funds Balance Sheet To**  
**The Statement of Net Position**  
**Governmental Fund**  
**June 30, 2018**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total Fund Balance - Governmental Funds	\$ 55,205,843
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide	101,619,284
Less accumulated depreciation	<u>(43,198,370)</u>
Net capital assets	58,420,914
Net investment in joint venture	993,900
Net Pension Asset (Register of Deeds)	142,234
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	2,104,215
Register of Deeds	7,291
OPEB	1,272,778
LEOSSA	126,376
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	54,866
Pension related deferrals	
LGERS	3,022,948
Register of Deeds	38,882
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	430,143
Deferred charges related to advance refunding bond issued - included on government-wide statements of net position but are not current financial resources	1,492,257
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	2,113,266
Pension related deferrals	
LGERS	(275,990)
Register of Deeds	(612)
OPEB	(5,791,256)
LEOSSA	
Assets and liabilities of the internal service funds used by management to account for insurance costs are included in governmental activities in the Statement of Net Position.	1,161,060
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(54,280,348)
Compensated absences	(2,672,474)
Other postemployment benefits	(58,547,374)
Total pension liability - LEOSSA	(2,341,157)
Net pension liability - LGERS	(6,785,537)
Accrued interest payable	<u>(491,641)</u>
Total adjustment	<u>(59,805,259)</u>
Net position of governmental activities	<u><u>\$ (4,599,416)</u></u>

**Nash County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	<b>Major</b>		<b>Non-Major</b>	
	<b>Courthouse</b>		<b>Other</b>	
	<b>General Fund</b>	<b>Expansion</b>	<b>Governmental</b>	<b>Total Governmental</b>
		<b>Capital Fund</b>	<b>Funds</b>	<b>Funds</b>
<b>REVENUES</b>				
Ad valorem taxes	\$ 49,981,908	\$ -	\$ 3,401,947	\$ 53,383,855
Other taxes and licenses	15,257,386	-	-	15,257,386
Restricted intergovernmental	16,699,258	-	1,759,337	18,458,595
Unrestricted intergovernmental	325,303	-	-	325,303
Permits and fees	1,398,407	-	-	1,398,407
Sales and services	4,961,524	-	-	4,961,524
Investment earnings	581,478	84,420	60,265	726,163
Miscellaneous	1,149,554	86,967	18,673	1,255,194
Total revenues	<u>90,354,818</u>	<u>171,387</u>	<u>5,240,222</u>	<u>95,766,427</u>
<b>EXPENDITURES</b>				
Current:				
General government	8,867,482	-	1,032,597	9,900,079
Public safety	21,761,845	8,734,670	4,440,072	34,936,587
Cultural and recreational	1,756,631	-	364,108	2,120,739
Transportation	140,030	-	185,710	325,740
Economic and physical development	2,462,421	-	691,313	3,153,734
Human Services	23,138,959	-	-	23,138,959
Intergovernmental:				
Education	24,097,336	-	-	24,097,336
Debt service:				
Principal	4,732,482	-	-	4,732,482
Interest	1,444,449	-	-	1,444,449
Total expenditures	<u>88,401,635</u>	<u>8,734,670</u>	<u>6,713,800</u>	<u>103,850,105</u>
Revenues over expenditures	<u>1,953,183</u>	<u>(8,563,283)</u>	<u>(1,473,578)</u>	<u>(8,083,678)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	115,000	-	1,640,035	1,755,035
Transfers (out)	(1,880,935)	-	(50,000)	(1,930,935)
Issuance of debt	-	-	1,700,000	1,700,000
Total other financing sources and uses	<u>(1,765,935)</u>	<u>-</u>	<u>3,290,035</u>	<u>1,524,100</u>
Net change in fund balance	187,248	(8,563,283)	1,816,457	(6,559,578)
Fund balances-beginning	<u>42,489,270</u>	<u>12,516,060</u>	<u>6,760,091</u>	<u>61,765,421</u>
Fund balances-ending	<u>\$ 42,676,518</u>	<u>\$ 3,952,777</u>	<u>\$ 8,576,548</u>	<u>\$ 55,205,843</u>



**Nash County, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**And Changes In Fund Balance of Governmental Funds**  
**To The Statement of Activities**  
**For the Year Ended June 30, 2018**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (6,559,578)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	11,836,776
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(2,349,928)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(1,700,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	4,732,482
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements.	22,649
Change in net investment in joint venture	7,633
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	
LGERS	2,104,215
ROD	7,291
Benefit payment and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	54,866
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	1,272,778
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	14,083
Compensated absences	(100,606)
Amortization on deferred charges - refunding costs that is recorded in the statement of activities but not in the fund statements	(118,898)
Pension expense	
LGERS	(2,300,728)
ROD	(23,413)
LEOSSA	(203,153)
OPEB plan expense	(3,361,397)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the fund statements.	
Increase in deferred inflows of resources - taxes receivable - at end of year	(234,644)
Increase in accrued interest receivable at end of year	(70,807)
Internal Service Fund	(115,143)
Total changes in net position of governmental activities	\$ 2,914,478

**Nash County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	General Fund			Variance
	Original Budget	Final Budget	Actual	With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 47,938,443	\$ 47,938,443	\$ 49,981,908	\$2,043,465
Other taxes and licenses	14,241,335	14,241,335	15,257,386	1,016,051
Restricted intergovernmental	17,356,720	18,359,469	16,699,258	(1,660,211)
Unrestricted intergovernmental	299,000	309,000	325,303	16,303
Permits and fees	1,037,400	1,199,350	1,398,407	199,057
Sales and services	4,882,263	4,904,366	4,961,524	57,158
Investment earnings	225,000	225,000	580,215	355,215
Miscellaneous	920,103	1,060,923	1,149,554	88,631
Total revenues	<u>86,900,264</u>	<u>88,237,886</u>	<u>90,353,555</u>	<u>2,115,669</u>
Expenditures				
Current:				
General government	9,082,778	9,588,986	8,787,482	801,504
Public safety	21,986,838	22,652,201	21,761,845	890,356
Transportation	211,559	211,559	140,030	
Economic and physical development	2,534,643	2,675,685	2,412,421	263,264
Human services	24,754,244	25,730,378	23,138,959	2,591,419
Cultural and recreational	1,742,513	1,824,748	1,756,631	68,117
Intergovernmental:				
Education	24,087,336	24,097,336	24,097,336	-
Debt service	5,817,923	7,882,103	6,176,931	1,705,172
Total expenditures	<u>90,217,834</u>	<u>94,662,996</u>	<u>88,271,635</u>	<u>6,319,832</u>
Revenues over (under) expenditures	<u>(3,317,570)</u>	<u>(6,425,110)</u>	<u>2,081,920</u>	<u>8,435,501</u>
Other financing sources (uses):				
Appropriated fund balance	3,382,570	6,606,045	-	(6,606,045)
Contingency	(25,000)	(25,000)	-	25,000
Refunding bonds issued	-	1,700,000	-	(1,700,000)
Payment to refunded bond escrow agent	-	-	-	-
Transfers from other funds	25,000	25,000	50,000	-
Transfers to other funds	(65,000)	(1,880,935)	(1,880,935)	(8,256,045)
Total other financing sources (uses)	<u>3,317,570</u>	<u>6,425,110</u>	<u>(1,830,935)</u>	<u>(8,256,045)</u>
Revenues and Other Financing Sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>250,985</u>	<u>\$ 179,456</u>
Fund balances:				
Beginning of year, July 1			<u>41,521,125</u>	
End of year, June 30			<u>\$ 41,772,110</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			1,263	
Revaluation Expense			(80,000)	
Transfer from General Fund			65,000	
Fund balance, beginning of year			117,481	
A legally adopted Economic Development Fund is consolidated into the General Fund for reporting purposes:				
Restricted intergovernmental revenues			-	
Economic Development Expense			(50,000)	
Transfers-in from General Fund			-	
Transfer-out to General Fund			-	
Fund Balance, Beginning			<u>850,664</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 42,676,518</u>	

**Nash County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	Water and Sewer Fund	Solid Waste Fund	Central Nash Water and Sewer Fund	Total	Governmental Activities Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 484,924	\$ 6,402,956	\$ -	\$ 6,887,880	\$ 1,923,959
Accounts receivable (net)	288,346	16,947	-	305,293	-
Restricted cash and investments	109,128	-	199,000	308,128	-
Due from other governments	-	50,350	-	50,350	-
Due from other funds	89,353	-	-	89,353	-
Total current assets	971,751	6,470,253	199,000	7,641,004	1,923,959
Noncurrent assets:					
Capital assets:					
Land, improvements and construction in progress	265,253	749,581	-	1,014,834	-
Other capital assets, net of depreciation	14,174,015	215,858	18,054,535	32,444,408	-
Total capital assets	14,439,268	965,439	18,054,535	33,459,242	-
Total noncurrent assets	14,439,268	965,439	18,054,535	33,459,242	-
Total assets	15,411,019	7,435,692	18,253,535	41,100,246	1,923,959
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferrals	114,565	30,419	-	144,984	-
OPEB deferrals	11,884	21,287	-	33,171	-
Total deferred outflows of resources	126,449	51,706	-	178,155	-
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
Current liabilities:					
Accounts Payable	298,799	338,041	-	636,840	762,899
Accrued interest payable	7,611	-	35,028	42,639	-
Due to other funds	89,353	-	199,000	288,353	-
Current portion of accrued landfill post-closure	-	-	-	-	-
Current portion of compensated absences	964	203	-	1,167	-
Current portion of long-term debt	131,100	-	199,000	330,100	-
Customer deposits	109,128	-	-	109,128	-
Total current liabilities	636,955	338,244	433,028	1,408,227	762,899
Noncurrent liabilities:					
Non-current portion of long-term debt	1,011,300	-	11,712,000	12,723,300	-
Net pension liability	151,620	40,259	-	191,879	-
OPEB liability	546,666	979,194	-	1,525,860	-
Accrued landfill closure and post-closure costs	-	3,335,132	-	3,335,132	-
Compensated absences	18,308	3,860	-	22,168	-
Total noncurrent liabilities	1,727,894	4,358,445	11,712,000	17,798,339	-
Total liabilities	2,364,849	4,696,689	12,145,028	19,206,566	762,899
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals	6,167	1,637	-	7,804	-
OPEB deferrals	54,074	96,858	-	150,932	-
Total deferred inflows of resources	60,241	98,495	-	158,736	-
<b>NET POSITION</b>					
Net investment in capital assets	13,296,868	965,439	6,143,535	20,405,842	-
Unrestricted	(184,490)	1,726,775	(35,028)	1,507,257	1,161,060
Total net position	\$ 13,112,378	\$ 2,692,214	\$ 6,108,507	\$ 21,913,099	\$ 1,161,060

**Nash County, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2018**

	Water and Sewer	Solid Waste	Central Nash Water and Sewer District	Totals	Governmental Activities Internal Service Funds
Operating Revenues:					
Charges for sales and services					
Other operating revenue	\$ 2,321,141	\$ 2,927,348	\$ -	\$ 5,248,489	\$ 1,442,279
Total operating revenues	<u>2,321,141</u>	<u>2,927,348</u>	<u>-</u>	<u>5,248,489</u>	<u>1,442,279</u>
Operating Expenses:					
Water and sewer operations	1,686,011	-	-	1,686,011	-
Solid waste disposal operations	-	2,594,813	-	2,594,813	-
Depreciation	440,923	114,410	466,928	1,022,261	-
Insurance claims	-	-	-	-	1,510,913
Wellness costs	-	-	-	-	73,936
Total operating expenses	<u>2,126,934</u>	<u>2,709,223</u>	<u>466,928</u>	<u>5,303,085</u>	<u>1,584,849</u>
Operating income (loss)	<u>194,207</u>	<u>218,125</u>	<u>(466,928)</u>	<u>(54,596)</u>	<u>(142,570)</u>
Nonoperating Revenues (Expenses)					
Interest and fees paid	(42,226)	-	(439,926)	(482,152)	-
Investment earnings	16,066	100,240	-	116,306	27,427
Insurance Proceeds	-	-	-	-	-
Total Nonoperating Revenues(Expenses)	<u>(26,160)</u>	<u>100,240</u>	<u>(439,926)</u>	<u>(365,846)</u>	<u>27,427</u>
Income (loss) before contributions and transfers	168,047	318,365	(906,854)	(420,442)	(115,143)
Capital contributions	67,716	-	-	67,716	-
Transfers to other funds	(633,495)	-	-	(633,495)	-
Transfers from other funds	<u>175,900</u>	<u>-</u>	<u>633,495</u>	<u>809,395</u>	<u>-</u>
Change in net position	(221,832)	318,365	(273,359)	(176,826)	(115,143)
Total net position, July 1	13,679,945	3,131,794	6,381,866	23,193,605	1,276,203
Restatement	<u>(345,735)</u>	<u>(757,945)</u>	<u>-</u>	<u>(1,103,680)</u>	<u>-</u>
Net position, beginning restated	13,334,210	2,373,849	6,381,866	22,089,925	1,276,203
Total net position, June 30	<u>\$ 13,112,378</u>	<u>\$ 2,692,214</u>	<u>\$ 6,108,507</u>	<u>\$ 21,913,099</u>	<u>\$ 1,161,060</u>

**Nash County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2018**

	MAJOR			Totals
	Water and Sewer	Solid Waste	Central Nash Water and Sewer District	June 30, 2018
Cash flows from operating activities:				
Cash received from customers	\$ 2,291,438	\$ 2,929,241	\$ -	\$ 5,220,679
Cash paid for goods and services	(1,281,964)	(1,757,000)	-	(3,038,964)
Cash paid to employees for services	(369,974.00)	(627,786)	-	(997,760)
Customer deposits	3,710	-	-	3,710
Net cash provided (used) by operating activities	643,210	544,455	-	1,187,665
Cash flows from noncapital financing activities				
Change in due to other funds	89,353	-	(199,000)	(109,647)
Change in due from other funds	(89,353)	-	-	(89,353)
Transfers to other funds	(633,495)	-	-	(633,495)
Transfers from other funds	175,900	-	633,495	809,395
Net cash provided (used) by noncapital financial activities	(457,595)	-	434,495	(23,100)
Cash flows from capital and related financing activities:				
Capital contributions	67,716	-	-	67,716
Principal paid on long-term debt	(131,100)	-	(193,000)	(324,100)
Interest paid on long term debt	(43,109)	-	(440,495)	(483,604)
Acquisition of capital assets	(339,611)	(421,459)	-	(761,070)
Net cash provided (used) by capital and related financing activities	(446,104)	(421,459)	(633,495)	(1,501,058)
Cash flows from investing activities:				
Insurance Proceeds	-	-	-	-
Investment earnings	16,066	100,240	-	116,306
Net cash flows from investing activities	16,066	100,240	-	116,306
Net increase (decrease) in cash and cash equivalents	(244,423)	223,236	(199,000)	(220,187)
Cash and cash equivalents, July 1	838,475	6,179,720	-	7,018,195
Cash and cash equivalents, June 30	\$ 594,052	\$ 6,402,956	\$ (199,000)	\$ 6,798,008

**Nash County, North Carolina**  
**Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2018**

**Reconciliation of operating income to net cash  
provided by operating activities:**

Operating income (loss)	\$ 194,207	\$ 218,125	\$ (466,928)	\$ (54,596)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	440,923	114,410	466,928	1,022,261
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(29,703)	1,893	-	(27,810)
(Increase) decrease in deferred outflows of resources for pensions	16,445	67,737	-	84,182
(Increase) decrease in deferred outflows of resources for for OPEB	(11,884)	(21,287)	-	(33,171)
Increase (decrease) in accounts payable and accrued liabilities	8,068	156,914	-	164,982
Increase (decrease) in deferred inflows of resources for pensions	212	(2,825)	-	(2,613)
Increase (decrease) in deferred inflows of resources for OPEB	54,074	96,858	-	150,932
Increase (decrease) in customer deposits	3,710	-	-	3,710
Increase (decrease) in net pension liability	(1,529)	(74,484)	-	(76,013)
Increase (decrease) in accrued postclosure liability	-	25,823	-	25,823
Increase (decrease) in compensated absences	(8,625)	1,930	-	(6,695)
Increase (decrease) in OPEB liability	(22,688)	(40,639)	-	(63,327)
Total adjustments	449,003	326,330	466,928	1,242,261
Net cash provided (used) by operating activities	\$ 643,210	\$ 544,455	\$ -	\$ 1,187,665

**Nash County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	Agency Funds
<b>ASSETS</b>	
Cash and investments	\$ 61,242
Accounts Receivable	335,876
Total Assets	<u>\$ 397,118</u>
<b>LIABILITIES AND NET POSITION</b>	
Liabilities:	
Miscellaneous Liability	\$ 397,118
Total liabilities	<u>397,118</u>
Net position:	
Held in trust (Fiduciary net assets)	-
Total Liabilities and Net Pension	<u>\$ 397,118</u>

**NASH COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**NOTE I: Summary of Significant Accounting Policies**

The accounting policies of Nash County, North Carolina, and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

Nash County is located in the eastern part of North Carolina in the coastal plains area and has a population of approximately 94,000. The County Seat is located in Nashville, North Carolina. The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable.

**Blended Component Units** - Central Nash Water and Sewer District (Central) exists to provide and maintain water and sewer services for residents within the District. Under state law) G.S. 162A-89), the County's Board of Commissioners serves as the governing board for the District and there is a financial benefit between the District and County. Central was reported as an enterprise fund in the County's financial statements. The District does not issue separate financial statements.

**Component Units**

The County's three discretely presented component units described below are reported in separate combining government-wide financial statements.

- **Nash County Tourism Development Authority** - The fifteen members of the Nash County Tourism Development Authority's governing board, including the Chairman are appointed by the County. The Finance Officer for the County serves as ex-officio Finance Officer for the Authority. The County levies, collects, and remits a room occupancy tax on behalf of the Authority. The Authority, which has a June 30 year-end, is presented as a Component Unit.
- **Nash Health Care Systems and Subsidiaries of Nash County, North Carolina** - Nash Health Care Systems and Subsidiaries of Nash County is a Hospital Authority created pursuant to Article 12 of Chapter 131E of the North Carolina General Statutes (formerly Article 12 of Chapter 131). The subsidiaries are not-for-profit entities established under section 501(c)(3) of the Internal Revenue Code. The County appoints the fourteen-member governing board of the Authority, and there is a potential financial benefit/burden to the County. The Authority includes the operations of Nash Hospitals Inc. and subsidiary, Nash Community Health Services, Inc., Nash MSO, In., Nash Medical Development Authority, NHCS Physicians, Inc., and Nash Health Care Foundation. The County leases the hospital facilities to the Authority in accordance with a thirty-year operating agreement (Note 5). The Authority, which has a June 30 year-end, is presented as a component unit.
- **Nash County ABC Board** - The five members of the Nash County ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surplus to the General Fund of the County. The ABC Board which has a June 30 year-end, is presented as a component unit.

Complete financial statements for each of the individual component units may be obtained at the administrative offices of those entities as follows:

Nash County Tourism Development Authority  
120 W. Washington Street, Suite 3072  
Nashville, NC 27856

Nash Health Care Systems and Subsidiaries of Nash County  
Nash General Hospital  
2460 Curtis Ellis Drive  
Rocky Mount, NC 27804

Nash County ABC Board  
1206 Eastern Avenue  
Nashville, NC 27856



**NASH COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**B. Basis of Presentation – Basis of Accounting**

**Basis of Presentation, Measurement Focus - Basis of Accounting**

**Government-wide Statements:** The statement of net position and the statement of activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

**Major Funds:** The General Fund, the Solid Waste Fund, the Water and Sewer Fund, the Central Nash Water and Sewer District Fund, and the Courthouse Expansion Capital Fund are major funds of the County. The General Fund is the primary operating fund of the County. It is used to account for a financial resources except those required to be accounted for in another fund. The Water and Sewer Fund is used to account for the County's water and sewer operations. The Solid Waste Fund is used to account for the County's solid waste disposal operations and convenience center operations. The Central Nash Water and Sewer District Fund (Blended Component Unit) is used to account for the water and sewer operations in the Central Nash Water and Sewer District. The Courthouse Expansion Capital Fund is used to account for the courthouse expansion transactions.

The County reports the following major governmental fund:

*General Fund* - The General Fund is the primary operating fund of the County. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund. Additionally, the County has legally adopted an Economic Development Fund. Under GASB 54 guidance, the Economic Development Fund is consolidated in the General Fund. The budgetary comparisons for the Revaluation Fund and the Economic Development Fund have been included in the supplemental information.

*Courthouse Expansion Capital Fund* - This fund is used to account for the revenues, debt proceeds, and expenditures of the project.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

*Special Revenue Funds* - The County has twelve special revenue funds: Rural Operating Assistance Program Fund, Fire Districts Fund, Emergency Telephone System Fund, Controlled Substance Fund, Federal Asset Forfeiture Fund, Storm water Maintenance Fund, Tourism Fund, Homeland Security Grant Fund, Single Family Rehab Fund, Urgent Repair Program Fund, Abandoned Manufactured Homes Fund, and CDBG Grant Fund.

*Capital Project Funds* - The County has five capital project funds: Capital Reserve Fund, Middlesex Industrial Park Fund, Senior Center/Miracle Park Fund, Public Safety Radio Project Fund, and School Capital Project Fund.

**Enterprise Funds** - The County reports the following enterprise funds:

*Water and Sewer Fund* - This fund is used to account for the County's water and sewer operations.

*Solid Waste Fund* - This fund is used to account for the County's solid waste disposal operations and convenience center operations.

*Central Nash Water and Sewer District Fund (blended component unit)* - The district is used to account for the water and sewer operations in the Central Nash Water and Sewer District. The District operates the water distribution system with booster pump station and elevated storage tanks sewage pumping stations, and collection systems.

**Internal Service Funds** - The Employee Healthcare Benefits and the Workers' Compensation Fund are used to account for cost of the County's healthcare and workers' compensation.

**Fiduciary Funds** - include the following fund type:

*Agency Funds* - Agency funds are used to account for assets the County holds on behalf of others. Agency funds are custodial in nature and do not involve measurement of results of operations. The County maintains five agency funds: the Social Services Trust Fund, which is used to account for monies deposited with the County's Social Services Department for the benefit of certain individuals for whom the County acts as agent; the Tax Collections Held for Municipalities Fund, which is used to account for tax monies collected for the benefit of municipalities located in the County; the Fines and Forfeitures Fund, which is used to account for monies collected by the Clerk of Court for the benefit of the Nash/Rocky Mount School System Fund; the Jail Inmate Fund, which is used to account for monies held for Inmates; and the Rental Vehicle Taxes Fund, which accounts for vehicle rental taxes collected.

**C. Measurement Focus, Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

**Government-wide, Proprietary, and Fiduciary Fund Financial Statements.** The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Governmental Fund Financial Statements.** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**D. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the special revenue funds (excluding grant projects), and enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the special revenue grant funds, capital project funds and the enterprise capital project funds, which are consolidate with the operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund and at the functional level for the Special Revenue and the Enterprise Funds, and at the project level for the Capital Project Funds. The County Manager is authorized by the budget ordinance to transfer appropriations between departments (or function levels, as applicable) within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000 must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity**

**1. Deposits and Investments**

All deposits of the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State Law [G.S. 159-30(c)] authorizes the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The majority of the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board's investments are carried at fair value. Non-participating interest earnings contracts are accounted for at cost. The NC Capital management Trust Cash Portfolio, a SEC-registered 2a-7 mutual fund is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings and investment contracts are reported at cost.

**2. Cash and Cash Equivalents**

The County pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are considered cash and cash equivalents. The Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

**3. Restricted Assets**

Unexpended debt proceeds are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. The Reserve Contribution for Middlesex Elementary School is a required annual reserve contribution equivalent to 1/10th of the annual installment for a period of ten years and accumulation equivalent to one annual installment. Customer deposits held by the County in the Utilities Fund before any services are supplied are restricted to the service for which the deposit was collected. In the Central Nash Water and Sewer District the 2019 debt service payment on the USDA loan is restricted for future payment.

**Governmental Activities**

General Fund	Tax Revaluation	\$ 103,744
General Fund	Reserve Contribution - School Debt	169,000
Courthouse Expansion Fund	Unexpended Debt Issuances	1,723,929
Middlesex Industrial Park Fund	Unexpended Debt Issuances	646,416
Total Governmental Activities		<u>2,643,089</u>

**Business-Type Activities**

Utilities Fund	Customer Deposits	109,128
Central Nash Water and Sewer District	Debt Service Reserve	199,000
Total Business-Type Activities		<u>308,128</u>

Total Restricted Cash		<u><u>\$ 2,951,217</u></u>
-----------------------	--	----------------------------

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2017.

**5. Allowance for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

**6. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**7. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. Minimum capitalization costs are: \$5,000 for all asset categories. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Nash Community College and Nash Rocky Mount Schools properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and Nash Community College and Nash Rocky Mount Schools give those entities the facilities, and provide that the County will convey title to the property back to the respective entities, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of Nash Community College and Nash Rocky Mount Schools, respectively.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Estimated Useful Lives</u>	
	Primary	Component
	Government	Units
Land Improvements	20 Years	5-40 Years
Buildings	40 Years	20-40 Years
Furniture and Equipment	3-20 Years	2-20 Years
Infrastructure	40 Years	
Vehicles	3-5 years	

**8. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meets this criterion - a charge on refunding that had previously been classified as an asset, pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category - taxes receivable, prepaid taxes, and other pension related deferrals.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**9. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing sources. Premiums received on the debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**10. Compensated Absences**

The vacation policies of the County provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2018 is recorded in the governmental activities of the government-wide financial statements. For the County's proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the benefits accrue to the employees. The County has assumed a first in, first out method of using accumulated compensated time. The portion of that time estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

**11. Net Position/Fund Balances**

**Net Position**

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

**Fund Balances**

In the governmental fund financial statements, fund balance is composed of four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Non-Spendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

**Prepaid Items** – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

**Restricted Fund Balance** - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law. Restricted fund balance is summarized as follows:

*Restricted for Stabilization of State Statute* - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

*Restricted for General Government* - portion of fund balance that is restricted by revenue source for technology.

*Restricted for Human Services* - portion of fund balance that is restricted by revenue source for human services health program.

**NASH COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

Restricted for Public Safety - portion of fund balance that is restricted by debt proceeds for the Courthouse Expansion project.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for the Emergency Telephone System Fund, Fire Protection, Federal Asset Forfeiture for law enforcement and Homeland Security Projects.

Restricted for Economic Development - portion of fund balance that is restricted by debt proceeds for the building and by revenue source for Economic Development through Travel and Tourism and Stormwater maintenance.

Restricted for Transportation - portion of fund balance that is restricted by revenue source for the rural operating assistance program.

Restricted for Economic Development - portion of fund balance that can only be used for Economic Development for a debt service shell building project and for future corporate park projects.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by resolution of the County's Board of Commissioners (highest level of decision making authority). Any changes or removal of specific purposes requires majority action by the Board of Commissioners.

Committed for Cultural and Recreation- portion of fund balance that can only be used for recreation and aging services debt service or projects

Committed for Economic Development - portion of fund balance that can only be used for Economic Development Repair Programs

Committed for School Capital Projects - portion of fund balance that has been committed through Board action for future school construction

Committed for Economic Development - portion of fund balance that can only be used for Economic Development for a debt service projects

Committed for Tax Revaluation - portion of fund balance that can only be used for tax revaluation

Assigned Fund Balance - portion of fund balance that the County's Board of Commissioners has assigned.

Assigned for Subsequent Year's Expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed

Assigned for Capital Projects - portion of fund balance that is assigned by management for debt service for capital projects or capital projects

Assigned for Public Safety - State asset forfeiture fund balance assigned by management for public safety

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Nash County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

The County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct business in such a manner that available fund balance is at least equal to or greater than 15% of General Fund expenditures. In the event of an emergency of approved one-time use of fund balance in which the reserve falls below the recommended percentage of 15%, the County will adopt a plan to replenish the reserve to the policy standard within 36 months.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 42,676,518
Less:	
Prepaid assets	25,075
Stabilization by State statute	6,119,518
Total available fund balance	<u>\$ 36,531,925</u>

**12 Defined Benefit Pension and OPEB Plan**

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

**13 Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

**NOTE II: Stewardship, Compliance and Accountability**

Deficit Fund Balance or Net Position of Individual Funds

None

Excess of Expenditures over Appropriations

None



**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**NOTE III: Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All of the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board's agent in their respective names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and the ABC Board do not have formal policies regarding custodial credit risk for deposits.

At June 30, 2018 the County's deposits had a carrying amount of \$32,275,468 and a bank balance of \$34,107,271. Of the bank balance, \$500,000 was covered by federal depository insurance; and \$33,607,271 in interest bearing deposits was covered by collateral held under the Pooling Method. At June 30, 2018, Nash County had \$3,275 cash on hand.

At June 30, 2018, the carrying amount of deposits for the Nash County Tourism Development Authority's deposits was \$768,658 and a bank balance of \$770,269. Of the bank balance, \$250,000 was covered by federal depository insurance and \$520,269 was covered under the pooling method.

At June 30, 2018, the carrying amount of deposits for the Nash Health Care Systems and Subsidiaries' deposits was \$24,098,294 and a bank balance of \$25,613,052. Of the bank balance, \$2,256,329 was covered by federal depository insurance and \$20,354,085 was covered by collateral held by the State Treasurer. \$3,002,638 was held in non-interest bearing accounts.

At June 30, 2018, the carrying amount of deposits for the Nash County ABC Board's deposits was \$1,868,795 and a bank balance of \$1,736,257. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,236,257 was covered by collateral held by the State Treasurer..

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**2 . Investments**

At June 30, 2018, the County had the following investments and maturities:

	<b>Valuation Measurement Method</b>	<b>Fair Value</b>	<b>Less Than 6 Months</b>	<b>6-12 Months</b>	<b>Greater Than One Year</b>	<b>% Concentration</b>
<b>U.S. Government Agencies:</b>						
Federal Home Loan	Fair Value- Level 1	\$ 748,077	748,077	-	-	3%
<b>NCCMT - Government Portfolio</b>	Amortized Cost	14,944,764	n/a	n/a	n/a	51%
<b>NCCMT - Term Portfolio*</b>	Fair Value- Level 1	13,502,606	13,266,401	-	-	46%
<b>Total</b>		<b>\$ 29,195,447</b>	<b>\$ 14,014,478</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100%</b>

\* Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*Interest Rate Risk* - This it's the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy limits its exposure to fair value losses from rising interest rates by limiting its investment portfolio to no less than 20% maintained in liquid investments at any point in time.

*Credit Risk* - State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County policy allows investments in the NC Capital Management Trust Government Portfolio, US Treasury Securities, US Agency Securities specifically authorized in NCGS 159 and rated no lower than AAA, and commercial paper meeting the requirements of NCGS 159. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2018. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

*Concentration of Credit Risk* - The County limits amounts invested in US Treasury of Agencies to no more than 20% of total investments and commercial paper to no more than 10% per investment. A minimum of 20% of available investments must be liquid. At June 30, 2018, investments in U.S. government agencies and commercial paper representing greater than 5% of the County's total investments were: NCCMT - Government Portfolio at 51%, and the NCCMT - Term Portfolio at 46%.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**3. Property Tax - Use-Value Assessment on Certain Lands**

In accordance with the general statutes, agriculture, horticulture, and forest land may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year				
Levied	Tax	Interest	Total	
2015	\$ 2,538,453	\$ 831,343	\$ 3,369,796	
2016	2,549,067	605,403	3,154,470	
2017	2,564,075	378,201	2,942,276	
2018	2,866,639	-	2,866,639	
Total	\$ 10,518,234	\$ 1,814,947	\$ 12,333,181	

**4. Receivables**

Receivables at the government-wide level at June 30, 2018, were as follows:

	Accounts	Taxes and Related Accrued Interest	Total
Governmental Activities:			
General	\$ 684,860	\$ 3,966,082	\$ 4,650,942
Other Governmental	82,083	-	82,083
Total Receivables	\$ 766,943	\$ 3,966,082	\$ 4,733,025
Allowance for Doubtful Accts.	-	(1,422,673)	(1,422,673)
Total Gov't Activities	\$ 766,943	\$ 2,543,409	\$ 3,310,352
Business-type Activities:			
Water and Sewer	\$ 392,579	\$ -	\$ 392,579
Solid Waste	19,208	-	19,208
Total Receivables	\$ 411,787	\$ -	\$ 411,787
Allowance for Doubtful Accts.	(106,494)	-	(106,494)
Total Business-type	\$ 305,293	\$ -	\$ 305,293

The due from other governments that is owed to the County consists of the following:

Governmental Activities:	
Local Option Sales Tax	\$ 3,245,172
Sales Tax Refund	482,681
Other Reimbursements	1,148,292
Total	\$ 4,876,145
Business-type Activities:	
Solid Waste	50,350
Total	\$ 50,350

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

5. Capital Assets

**Primary Government**

Capital asset activity for the year ended June 30, 2018, was as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated:					
Land	\$ 10,178,934	\$ -	\$ -	\$ -	\$ 10,178,934
Construction in Progress	3,675,234	10,337,328	-	-	14,012,562
Total capital assets not being depreciated	13,854,168	10,337,328	-	-	24,191,496
Capital assets being depreciated:					
Land Improvements	347,752	-	-	-	347,752
Infrastructure	566,636	-	-	-	566,636
Buildings	54,433,973	192,336	-	-	54,626,309
Vehicles	6,157,628	659,302	18,671	(403,679)	6,431,922
Equipment	14,823,245	666,720	-	(34,796)	15,455,169
Total capital assets being depreciated:	76,329,234	1,518,358	18,671	(438,475)	77,427,788
Less accumulated depreciation for:					
Land Improvements	144,854	17,387	-	-	162,241
Infrastructure	200,657	14,166	-	-	214,823
Buildings	23,282,060	1,186,322	-	-	24,468,382
Vehicles	5,422,906	521,100	18,671	(384,769)	5,577,908
Equipment	12,198,859	610,953	-	(34,796)	12,775,016
Total accumulated depreciation:	41,249,336	\$ 2,349,928	\$ 18,671	\$ (419,565)	43,198,370
Total capital assets being depreciated, net	35,079,898				34,229,418
Governmental activity capital assets, net	\$ 48,934,066				\$ 58,420,914

Depreciation expenses are charged to functions/ program of the governmental activity capital assets as follows:

General Government	\$ 1,226,155
Public Safety	858,280
Cultural and Recreational	3,367
Economic and Physical Development	134,152
Human Services	61,650
Education	66,324
Total Depreciation Expense	<u>\$ 2,349,928</u>

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Business-type activities:

	Beginning				Ending
	Balances	Increases	Transfers	Retirements	Balances
<b>Water and Sewer Fund</b>					
Capital assets not being depreciated:					
Construction in progress	\$ -	\$ 265,253	\$ -	\$ -	\$ 265,253
Total capital assets not being depreciated:	-	265,253	-	-	265,253
Capital assets being depreciated:					
Infrastructure	18,527,577	74,358	-	-	18,601,935
Furniture, fixtures, and equipment	45,577	-	-	-	45,577
Vehicles	157,673	-	(18,671)	-	139,002
Total capital assets being depreciated :	18,730,827	74,358	(18,671)	-	18,786,514
Less accumulated depreciation for:					
Infrastructure	4,044,905	414,979	-	-	4,459,884
Furniture, fixtures, and equipment	43,542	1,060	-	-	44,602
Vehicles	101,800	24,884	(18,671)	-	108,013
Total accumulated depreciation:	4,190,247	\$ 440,923	\$ (18,671)	\$ -	4,612,499
Total capital assets being depreciated, net	14,540,580				14,174,015
Water and Sewer activity capital assets, net	<u>\$ 14,540,580</u>				<u>\$ 14,439,268</u>
<b>Solid Waste Fund</b>					
Capital assets not being depreciated:					
Construction in Progress	\$ 27,242	\$ 414,154	\$ -	\$ -	\$ 441,396
Land	238,000	-	-	-	238,000
Total capital assets not being depreciated:	265,242	414,154	-	-	679,396
Capital assets being depreciated:					
Land improvements	1,439,542	-	-	-	1,439,542
Buildings and building improvements	34,375	-	-	-	34,375
Furniture, fixtures, and equipment	1,857,120	7,305	-	-	1,864,425
Vehicles	26,541	-	-	-	26,541
Total capital assets being depreciated:	3,357,578	7,305	-	-	3,364,883
Less accumulated depreciation for:					
Land improvements	1,213,282	73,617	-	-	1,286,899
Buildings and building improvements	22,635	317	-	-	22,952
Furniture, fixtures, and equipment	1,779,552	38,319	-	-	1,817,871
Vehicles	26,541	-	-	-	26,541
Total accumulated depreciation	3,042,010	112,253	-	-	3,154,263
Total capital assets being depreciated, net	315,568				210,620
Solid Waste activity capital assets net	<u>580,810</u>				<u>890,016</u>

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<b>Convenience Center Activity</b>	Beginning Balances	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated:					
Land	70,185	-	-	-	70,185
Total capital assets not being depreciated:	70,185	-	-	-	70,185
Capital assets being depreciated:					
Land improvements	293,241	-	-	-	293,241
Buildings and building improvements	94,379	-	-	-	94,379
Furniture, fixtures, and equipment	108,667	-	-	-	108,667
Total capital assets being depreciated:	496,287	-	-	-	496,287
Less accumulated depreciation for:					
Land improvements	289,459	712	-	-	290,171
Buildings and building improvements	90,766	1,445	-	-	92,211
Furniture, fixtures, and equipment	108,667	-	-	-	108,667
Total accumulated depreciation	488,892	\$ 2,157	\$ -	\$ -	491,049
Total capital assets being depreciated, net	7,395				5,238
Convenience Center activity capital assets net	77,580				75,423
Total Solid Waste Fund capital assets net	\$ 658,390				\$ 965,439
<b>Central Nash Water and Sewer District</b>	Beginning Balances	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated :					
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-	-
Capital assets being depreciated					
Infrastructure	18,677,106	-	-	-	18,677,106
Total capital assets being depreciated	18,677,106	-	-	-	18,677,106
Less accumulated depreciation for:					
Infrastructure	155,643	466,928	-	-	622,571
Total accumulated depreciation	155,643	\$ 466,928	\$ -	\$ -	622,571
Total capital assets being depreciated ,net	18,521,463				18,054,535
CNWSD capital assets-net	\$ 18,521,463				\$ 18,054,535
Business-type activities capital assets, net	\$ 33,720,433				\$ 33,459,242

Nash County Implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of the Construction Period* , in the fiscal year ended June 30, 2018.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2018, were as follows :

	<u>Vendors</u>
Governmental Activities:	
General	\$ 1,743,823
Other Governmental	752,942
Internal Service Fund	<u>762,899</u>
Total Governmental Activities	<u><u>\$ 3,259,664</u></u>
Business-type Activities:	
Water and Sewer	\$ 298,799
Solid Waste	<u>338,041</u>
Total Business-type Activities	<u><u>\$ 636,840</u></u>

**2. Pension Plan Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers, 7.56% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,163,717 for the year ended June 30, 2018.

*Refunds of Contributions* – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2018, the County reported a liability of \$6,977,416 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the County's proportion was 0.457%, which was an increase of 0.002% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$2,365,788. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 401,963	\$ 197,510
Changes in assumptions	996,472	-
Net difference between projected and actual earnings on pension plan investments	1,694,125	-
Changes in proportion and differences between County contributions and proportionate share of contributions	15,869	86,285
County contributions subsequent to the measurement date	2,163,717	-
Total	\$ 5,272,146	\$ 283,795

\$2,163,717 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June**

**30:**

2019	\$ 360,191
2020	1,998,587
2021	1,000,974
2022	(535,117)
2023	-
Thereafter	-
	\$ 2,824,635



**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	7.20 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 20,946,362	\$ 6,977,416	\$ (4,682,243)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officers' Special Separation Allowance

**1 Plan Description**

Nash County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits.	-
Active plan members	88
Total	91

Summary of Significant Accounting Policies :

Basis of Accounting - The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73:

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates are based on the RP-2014 Healthy Annuitant with adjustments for mortality improvements based MP-2015 scale, projected generationally.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investments. The County paid \$54,866 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the County reported a total pension liability of \$2,341,157. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$211,622.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,279	\$ -
Changes of assumptions	96,097	-
County benefit payments and plan administrative expense made subsequent to the measurement date	54,866	-
Total	\$ 181,242	\$ -

\$54,866 reported as deferred outflows of resources related to pensions resulting for benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June**

**30:**

2019	\$ 8,351
2020	8,351
2021	8,351
2022	8,351
2023	5,763
Thereafter	-

*Sensitivity of the County's pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
County's proportionate share of the net pension liability (asset)	\$ 2,574,385	\$ 2,341,157	\$ 2,128,268

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance

	2018
Beginning balance	\$ 2,019,702
Service Cost	112,396
Interest on the total pension liability	76,739
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	35,774
Changes of assumptions or other inputs	159,813
Benefit payments	(63,267)
Other changes	-
Ending balance of the total pension liability	\$ 2,341,157

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.86 percent at June 30, 2016 to 3.16 percent at June 30, 2017.

*Changes in Benefit Terms.* Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age and health status (i.e. disabled and healthy). The current mortality rates are based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an experience study for the five year period ending December 31, 2014, completed by the Actuary for the Local Government Employees' Retirement System.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description - The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of the State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The County's contributions for the year ended June 30, 2018 were \$218,901.

d. Deferred Compensation Plan 401(k)

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k). The plan is sponsored by the State of North Carolina and is governed by the Department of State Treasurer and the plan's Board of Trustees. The Department and Board have contracted with Branch Banking and trust Company to be the plan administrator.

The plan is available to all County employees except for law enforcement officers and the Register of Deeds, who are covered by other supplemental retirement plans. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available until termination, retirement, death, or financial hardships. The County contributes up to 5.0% of qualified salary and all amounts contributed are vested immediately. The employees also may make voluntary contributions to the plan.

**NASH COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The County's contributions were calculated using a covered payroll amount of \$23,777,803. The County's total contributions for the year ended June 30, 2018 were \$1,188,892.

e. Registers of Deeds' Supplemental Pension Fund

*Plan Description.* Nash County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$7,291 for the year ended June 30, 2018.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2018, the County reported an asset of \$142,234 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2017, the County's proportion was 0.8333%, which was an increase of 0.0010% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$23,413. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,442	\$ 458
Changes of assumptions	23,999	-
Net difference between projected and actual earnings on pension plan investments	12,091	-
Changes in proportion and differences between County contributions and proportionate share of contributions	351	-
County contributions subsequent to the measurement date	7,291	153
Total	<u>\$ 46,174</u>	<u>\$ 611</u>

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

\$7,291 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June</b>		
<b>30:</b>		
2019	\$	22,235
2020		11,569
2021		1,383
2022		3,083
223		-
Thereafter		-
	\$	<u>38,270</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2017 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (111,794)	\$ (142,234)	\$ (167,833)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to**

f. **Pensions**

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSA was measured as of June 30, 2017, with an actuarial valuation date of December 31, 2016. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<b>LGERS</b>	<b>ROD</b>	<b>LEOSSA</b>	<b>Total</b>
Proportionate Share of Net Pension Liability (Asset)	\$ 6,977,416	\$ (7,240)	\$ -	\$ 6,970,176
Proportionate of the Net Pension Liability (Asset)	0.45672%	-0.83328%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 2,341,157	\$ 2,341,157
Pension Expense	\$ 2,365,788	\$ 23,413	\$ 211,622	\$ 2,600,823

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>LGERS</b>	<b>ROD</b>	<b>LEOSSA</b>	<b>Total</b>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 401,963	\$ 2,442	\$ 30,279	\$ 434,684
Changes of assumptions	996,472	23,999	96,097	1,116,568
Net difference between projected and actual earnings on pension plan investment	1,694,125	12,091	-	1,706,216
Changes in proportion and differences between County contributions and proportionate share of contributions	15,869	351	-	16,220
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	2,163,717	7,291	54,866	2,225,874

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Deferred Inflows of Resources**

Differences between expected and actual experience	\$ 197,510	\$ 458	\$ -	\$ 197,968
Changes in proportion and differences between County contributions and proportionate share of contributions	86,285	153	-	86,438

**g. Other Postemployment Benefits**

*Plan Description.* According to a County resolution, the County administers a single employer defined benefit plan to provide healthcare benefits (HCB Plan) and a Medicare Supplement Policy at age 65 to certain retirees of the County. This post employment health benefit is effective for retirees on or after January 1, 2001 and for employees hired before July 1, 2007, provided that they retire (including disability retirement) with unreduced benefits from the North Carolina Local Governmental employees' Retirement System (System) and have at least twenty years of continuous credible service with Nash County the retiree will receive 100% premium coverage at the same rate as active employees coverage, retirees with 19 to 15 years credible service will receive 75% of the premium coverage from Nash County and retirees with 14 to 10 years of credible service will receive 50% of the premium costs from Nash County. The benefit applies only to the retired employee, not dependents. Retired employees may continue dependent coverage at the same level as prior to retirement at their personal expense; but not the supplement.

Effective for employees hired before July 1, 2012, the County will provide postemployment healthcare benefits to retirees to age 65 provided that they retire (including disability retirement) with unreduced benefits from the North Carolina Local Governmental Employees' System (System) and have at least twenty years of continuous credible service to Nash County. There is no supplement offered at age 65 to either the retiree or dependent. Retired employees may continue dependent coverage at the same level as prior to retirement at their personal expense. Employees hired on or after July 1, 2012 are not eligible to participate in the plan. The County pays the costs of coverage for these benefits as incurred on a pay-as-you-go basis. The County maintains health care coverage through a combination of self-insurance and private insurers.

Retired Employee's Continuous Years of Creditable Service	Hired Pre-July 1, 2007	Hired On or After July 1, 2007 and Before July 1, 2012	Hired On or After July 1, 2012
Less than 10 years	Not eligible for coverage	Not eligible for coverage	Not eligible for coverage
10-14 years	50% of health care benefits and 50% Medicare Supplement at age 65 (if selected at retirement)	50% of health care benefits paid by the County	Not eligible for coverage
15-19 years	75% of health care benefits and 75% Medicare supplement at age 65 (if selected at retirement)	75% of health care benefits paid by the County	Not eligible for coverage
20+ years	Full coverage of health care benefits and Medicare Supplement at age 65 (if selected at retirement)	Full coverage of health care benefits paid for by the County	Not eligible for coverage

*Plan membership.* Membership of the HCB Plan consisted of the following at June 30, 2016, the date of the latest actuarial valuation:



**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	General Employees:	Law Enforcement Officers:
Retirees and dependents receiving benefits	128	11
Terminated plan members entitled to but not yet receiving benefits	-	-
Active members	344	57
Total	<u>472</u>	<u>68</u>

*Funding Policy:* The County's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The County's total OPEB liability of \$60,073,234 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Salary increases:	
General Employees	3.50 to 7.75 percent, including inflation
Law Enforcement Officers	3.5 to 7.35 percent, including inflation
Discount rate	3.56 percent
Healthcare cost trend rates:	
Pre-Medicare	7.75 percent for 2016 decreasing to an ultimate rate of 5.00 percent by 2022
Medicare	5.75 percent for 2016 decreasing to an ultimate rate of 5.00 percent by 2019

The discount rate is based on Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

*Discount rate.* Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

*Sensitivity of the net OPEB liability to changes in the discount rate.*

The following presents the net OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) and 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56 percent)	Discount Rate (3.56 Percent)	1% Increase (4.56 percent)
Total OPEB liability (asset)	\$ 71,266,045	\$ 60,073,234	\$ 51,248,386

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.*

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB liability (asset)	\$ 50,086,318	\$ 60,073,234	\$ 72,955,728

*Changes in Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2018, the County reported a total OPEB liability of \$60,073,234. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2018, the components of the total OPEB liability of the County, measured as of June 30, 2017, were as follows:

	Total OPEB Liability
Balances at June 30, 2016	\$ 63,638,041
Changes for the Year:	
Service Cost	1,549,505
Interest	1,899,497
Differences between Expected and Actual experience	(125,628)
Changes of assumptions or other inputs	(5,816,560)
Benefit payments	(1,071,621)
Net Changes	(3,564,807)
Balances at June 30, 2017	\$ 60,073,234

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.01 percent to 3.56 percent.

For the year ended June 30, 2018, the County recognized OPEB expense of \$2,501,285. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 125,628
Changes of assumptions	-	5,816,560
Net difference between projected and actual earnings on plan investments	-	-
Benefit payments and administrative costs made subsequent to the measurement date	1,305,949	-
Total	\$ 1,305,949	\$ 5,942,188

\$1,305,949 reported as deferred outflows of resources related to OPEB resulting from County benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**Year ended June 30**

2018	\$ (947,717)
2019	(947,717)
2020	(947,717)
2021	(947,717)
2022	(947,717)
Thereafter	(255,886)

**h. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are established for employees not engaged in laws enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

**3 Closure and Post-Closure Costs**

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$714,000 reported as landfill closure and post closure care liability at June 30, 2018 represents a cumulative amount reported to date based on the use of 100% of the total estimated capacity of the landfill. The County closed the facility on December 31, 1998. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County currently operates a Construction and Demolition landfill which is anticipated to close in late 2018. C & D closure liability is \$2,621,132 at June 30, 2018, based on the use of 95% of total estimated capacity. The County currently reports a combined liability of \$3,335,132 and will recognize the remaining estimated cost of closure and post closure care as the remaining estimated capacity is filled.

The County has met the requirements of a local government financial test that is one option under Federal and State laws and regulation that help determine if an entity is financially able to meet closure and post closure care requirements.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**4 Deferred Outflows and Inflows of Resources**

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Charge on refunding of debt	\$ 1,492,257	\$ -
Pensions - difference between expected and actual experience		
LGERS	401,963	197,510
Register of Deeds	2,442	458
LEOSSA	30,279	\$ -
OPEB	-	\$ 125,628
Changes of assumptions		
LGERS	996,472	-
Register of Deeds	23,999	-
LEOSSA	96,097	-
OPEB	-	5,816,560
Pensions - difference between projected and actual investment		
LGERS	1,694,125	-
Register of Deeds	12,091	-
LEOSSA	-	-
OPEB	-	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	15,869	86,285
Register of Deeds	351	153
LEOSSA		-
Contributions, benefits and admin costs paid subsequent to measurement date		
LGERS	2,163,717	-
Register of Deeds	7,291	-
LEOSSA	54,866	-
Benefit payments for the OPEB plan paid subsequent to measurement date	1,305,949	-
Prepaid taxes not yet earned (General Fund)	-	254,261
Taxes receivable, net (General)	-	2,113,266
Total	<u>\$ 8,297,768</u>	<u>\$ 8,594,121</u>

**5 Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a pool limit of \$82,003,809 for any one occurrence. General liability, auto, professional, and employment practices liability coverage of \$2 million per occurrence. Auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the North Carolina statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request.

Both of the pools have reinsurance treaties in excess of the pool's retention. The pool's liability structure is a \$500,000 retention with reinsurance up to a \$6 million limit per loss occurrence. The pool's property and auto physical damage structure is a \$250,000 per occurrence retention with a total per occurrence limit of \$1 billion. For workers' compensation the pool's retention is \$750,000 per occurrence.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

The County maintains flood coverage at \$2,000,000 limit per occurrence with a \$2,000,000 annual aggregate for Special Flood Hazard Areas A and V, with a \$500,000 per occurrence deductible and a \$10,000,000 limit per occurrence and a \$10,000,000 annual aggregate for all non-Special Flood Hazard Areas with a \$25,000 per occurrence deductible.

The County carries cyber liability coverage, covering up to \$1,000,000 in losses with a \$5,000 deductible.

The County provides employee health benefits through the State Health Plan. Dental benefits are provided to employees through a self-insured plan provided by Interactive Medical Systems (IMS). Claims are administered and paid directly from the plan by IMS.

In accordance with G.S. 159-29, the County's employees who have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Director of Finance, Sheriff and Tax Collector are individually bonded for \$100,000 each, and the Register of Deeds is bonded for \$50,000. The remaining employees who have access to funds are covered under employee dishonesty crime coverage with a \$250,000 per occurrence limit.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

## **6 Contingent Liabilities**

### **a. Claims and Judgments**

At June 30, 2018, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

### **b. Environmental Matters**

During May 1993, the County discovered that property owned by the County, which was formerly leased to a service station is contaminated as a result of leakage from underground fuel storage tanks. Consultants hired by the County have assessed the extent of the contamination and estimated the cleanup cost to total approximately \$200,000. By letter dated November 30, 1993, the County has been notified that the cost is eligible for reimbursement for the North Carolina Commercial Trust Fund. In order to retain eligibility, the County must continue to proceed with corrective action. The Trust Fund has a \$20,000 deductible, which the County believes has been met as of June 30, 2018. To date, \$65,912 has been submitted for reimbursement of which \$42,079 has been reimbursed. The State has frozen spending pending revision of regulations governing cleanup of contaminated soil.

## **7 Long-Term Obligations**

### **a. Capital Leases**

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of lease inception.

An agreement was executed on July 21, 2014 for the lease of 3 EMS ambulance remounts and 2 QRV Expeditions and requires four annual payments of \$82,625, beginning in 2014 and ending in 2017. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on October 6, 2015 for the lease of defibrillators and requires five annual payments of \$127,063, beginning in 2015 and ending in 2019. Under the terms of the agreement, title passes to the County at the end of the lease term.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

An agreement was executed on June 1, 2016 for the lease of VOIP System and requires 59 monthly payments of \$7,246, beginning in 2016 and ending in 2021. Under the terms of the agreement, title passes to the County at the end of the lease term.

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 995,887	\$ 515,784	\$ 480,103
Vehicles and motorized equipment	322,000	322,000	-
Total	<u>\$ 1,317,887</u>	<u>\$ 837,784</u>	<u>\$ 480,103</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Year Ending June 30</u>	
2019	\$ 214,019
2020	214,019
2021	65,217
2022	-
Total minimum lease payment	493,255
Less: amount representing interest	23,288
Present Value of minimum lease payments	<u>\$ 469,967</u>

**b. Installment Purchase**

**Serviced by Governmental Activities:**

\$1,700,000 issued September 20, 2017, to fund the Nash County Middlesex Shell Building property, with annual principal installments of \$340,000 plus interest at 2.04%. The first payment is due on June 1, 2018, and the final payment is due on June 1, 2022. \$ 1,360,000

\$19,034,000 Limited Obligation Refunding Bond Series 2016 on November 15, 2016, with interest due semi-annually on October 1 and April 1 and principal due on Oct 1 through 2030, interest rate of 2.07% 18,729,000

\$14,000,000 October 11, 2016 to fund the courthouse expansion project, principal payments plus interest, at 1.85% rate, are due in annual installments through October 2031. 13,066,000

\$3,787,000 issued December 18, 2014 for Refunding Certificate of Participation 2004, due in principal annual installments, plus semi-annual interest, interest rate of 1.42% through December 2021. COPS debt includes \$1,486,551 for Community College, \$1,346,516 for schools, \$599,648 for Industrial Development and \$354,285 for Courthouse renovations. 1,524,000

\$7,342,300 issued March 17, 2010 for Middlesex Elementary due in interest only quarterly installments through September 2012, thereafter, annual principal plus interest installments of \$399,274, interest rate of 2.05% through November 2042. 6,579,257

\$576,923 issued May 20, 2014 for economic development, due in annual installments of fixed principal of \$115,385, without interest through April 2019. 115,384

Total \$ 41,373,641

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Refunding**

On December 18, 2014, the County issued \$3,787,000 of installment purchase refunding COPS bonds to be used for debt service payments of \$4,405,000 of COPS installments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$10,744. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next 7 years and resulted in an economic gain of \$501,256.

On November 15, 2016, for the purpose of refunding a portion of the County's outstanding Limited Obligation Bonds, Series 2010, the County issued \$19,034,000 of limited obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$16,540,000 of limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,494,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$1,645,175 and resulted in an economic gain of \$1,410,871.

**Serviced by Business-Type Activities:**

\$1,122,000 issued on December 31, 2006 for Bailey Water Project, due in semi-annual installments of fixed principal \$ 504,900  
\$56,100, plus interest of 2.305% through May 2027

\$1,500,000 issued on October 19, 2006 for Bailey/BOR/Bentridge water line construction project due in semi-annual 637,500  
installments of fixed principal \$75,000, plus interest of 4.35% through October 2026

Total \$ 1,142,400

Annual debt service requirements to maturity for the County's installment purchase contracts are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 2,571,385	\$ 900,871	\$ 131,100	\$ 38,554
2020	2,068,915	857,105	131,100	33,998
2021	2,073,037	815,889	131,100	29,442
2022	3,641,373	758,065	131,100	24,887
2023	3,042,931	685,632	131,100	20,331
2024-2028	14,771,348	2,488,013	486,900	35,768
2029-2033	9,886,365	1,040,002	-	-
2034-2038	1,518,297	478,073	-	-
2039-2043	1,799,990	193,110	-	-
Total	<u>\$ 41,373,641</u>	<u>\$ 8,216,760</u>	<u>\$ 1,142,400</u>	<u>\$ 182,980</u>

c. Limited Obligation Bonds

The County issued \$28,355,000 Limited Obligation Bonds on March 25, 2010, which were used to finance construction and renovation of school facilities, storage building, and EMS building.

On November 15, 2016, for the purpose of refunding a portion of the County's outstanding Limited Obligation Bonds, Series 2010, the County issued \$19,034,000 of limited obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for to be used for all future debt service payments of \$16,540,000 of limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,494,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$1,645,175 and resulted in an economic gain of \$1,410,871.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

\$4,695,000 from the Limited Obligation Bonds, Series 2010 remains as the unrefunded bond debt service with principal installments due annually and interest due at semi-annual rates ranging from 3.5% to 5.0% through October 1, 2020.

Annual debt service requirements to maturity for the County's limited obligation bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 1,405,000	\$ 179,475
2020	1,645,000	113,150
2021	1,645,000	40,125
Total	<u>\$ 4,695,000</u>	<u>\$ 332,750</u>

d. General Obligation Indebtedness

The County issued \$9,310,000 General Obligation Bonds on October 15, 2013, which will be used to finance construction of two buildings at Nash Community College. Principal and interest are due annually, in installments ranging from \$470,000 to \$465,000, beginning fiscal year 2015 through November 2033; interest due in semi-annual installments at rates ranging from 2.0% to 3.7%. Outstanding balance at June 30, 2018 is \$7,440,000.

Nash County's Water and Sewer District issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Central Nash Water and Sewer District Fund, are collateralized by the full faith credit and taxing power of the District. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2018, which are serviced by the business-type activities are comprised of the following individual issues:

**Serviced by Business-Type Activities:**

\$5,239,000 of General Obligation Water Bonds issued May 26, 2009, due on June 1 in annual installments ranging from \$ 4,694,000 to \$60,000 through December 2048; interest rate of 3.625% to 4.5%.

\$2,804,400 of General Obligation Water Bonds issued January 23, 2012, due on June 1 in annual installments ranging from \$42,000 to \$119,000 through December 2051; interest rate of 3.0%.

\$4,766,000 of General Obligation Water Bonds issued June 23, 2014, due on June 1 in annual installments ranging from \$67,000 to \$209,000 through December 2054; interest rate of 3.25%.

Total	<u><u>\$ 11,911,000</u></u>
-------	-----------------------------

Debt Related to Capital Assets - Of the total Governmental Activities debt listed only \$17,335,013 relates to assets the County holds title. Unspent restricted cash related to this debt amounts to \$2,370,345.

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 465,000	\$ 247,845	\$ 199,000	\$ 433,460
2020	465,000	233,895	207,000	426,195
2021	465,000	217,620	215,000	418,640
2022	465,000	199,020	223,000	410,774
2023	465,000	180,420	231,000	402,618
2024-and thereafter	5,115,000	973,246	10,836,000	6,423,669
Total	<u>\$ 7,440,000</u>	<u>\$ 2,052,046</u>	<u>\$ 11,911,000</u>	<u>\$ 8,515,356</u>



**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

e. Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2018:

	Beginning Balance, restated July 1, 2017	Increases	Decreases	Ending Balance June 30, 2018	Current Portion of Balance
<b>Governmental Activities:</b>					
General obligation bonds	\$ 7,905,000	\$ -	\$ 465,000	\$ 7,440,000	\$ 465,000
Limited obligation bonds	6,100,000	-	1,405,000	4,695,000	1,405,000
Capitalized leases	744,779	-	274,812	469,967	199,798
Installment purchase contracts	42,261,311	1,700,000	2,587,670	41,373,641	2,571,384
Unamortized premium/discounts	324,389	-	22,649	301,740	-
Compensated Absences	2,571,868	2,996,704	2,896,098	2,672,474	133,624
Net pension liability (LGERS)	9,473,626	-	2,688,089	6,785,537	-
Net pension liability (LEOSSA)	2,019,702	384,722	63,267	2,341,157	-
OPEB liability	62,021,635	3,361,397	6,835,658	58,547,374	-
Total governmental activities	\$ 133,422,310	\$ 8,442,823	\$ 17,238,243	\$ 124,626,890	\$ 4,774,806

**Business-type Activities:**

**Central Nash Water and Sewer District:**

General Obligation Water Bonds	\$ 12,104,000	\$ -	\$ 193,000	\$ 11,911,000	\$ 199,000
Total	12,104,000	-	193,000	11,911,000	199,000

**Water and Sewer Fund:**

Installment purchase contracts	1,273,500	-	131,100	1,142,400	131,100
Compensated absences	27,897	29,675	38,300	19,272	964
Net pension liability (LGERS)	153,149	-	1,529	151,620	-
OPEB liability	579,106	31,386	63,826	546,666	-
Total	2,033,652	61,061	234,755	1,859,958	132,064

**Solid Waste Fund:**

Accrued landfill closure and post-closure costs	3,309,309	85,323	59,500	3,335,132	-
Compensated absences	2,133	2,410	480	4,063	203
Net pension liability (LGERS)	114,743	-	74,484	40,259	-
OPEB liability	1,037,300	56,219	114,325	979,194	-
Total	4,463,485	58,629	189,289	1,023,516	203

Total Business-type activities	\$ 18,601,137	\$ 119,690	\$ 617,044	\$ 14,794,474	\$ 331,267
--------------------------------	---------------	------------	------------	---------------	------------

Compensated absences typically have been liquidated in the General Fund and are accounted for on a FIFO basis. The unfunded Special Separation Allowance has been liquidated in the General Fund. OPEB has been liquidated in the Employee Insurance Fund.

State statutes provide for a legal debt margin of 8% of the County's appraised valuation. The County had a legal debt margin of \$573,442,827 at June 30, 2018.

f. Conduit Debt Obligation

Nash County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the county, the Authority, the State, nor any political subdivision, thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2018, there were no outstanding balances.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**C. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2018 consist of the following:

From the General Fund to the Emergency Telephone Special Revenue Fund to repay unallowed expenses charged to Emergency Telephone	\$ 35
From the General Fund to the CDBG Capital Project Fund to provide a match from the County for grant funds for the CDBG Disaster Recovery Grant.	5,000
From the General Fund to the County Capital Senior Center Project Fund to provide additional funding for the Senior Center Project based on bids received for construction.	300,000
From the General Fund to the Public Safety Radio Project Capital Fund to provide funding to begin updating the infrastructure to move the project forward.	1,335,000
From the General Fund to the Northern Nash Water System Capital Project to provide funding for the origination fees required for the State Revolving Loan from the North Carolina Water Infrastructure Fund.	175,900
From the General Fund to the Tax Revaluation Fund to provide resources for future tax revaluations	65,000
From the Controlled Substance Special Revenue Fund to the General Fund to complete the reimbursement of the building purchase.	50,000
From the Water and Sewer Fund to the Central Nash Water and Sewer District for debt service payments	633,495
From the Solid Waste Fund to the C&D Landfill Expansion Capital Project to provide additional funding for construction of the project, based on bids received.	268,000
Total	<u>\$ 2,832,430</u>

Balances due to/from other funds as of June 30, 2018, consist of the following:

Due to the General Fund from the Single Family Rehab Fund to cover fund costs.	\$ 13,245
Due to the General Fund from the Central Nash Water & Sewer Fund to cover restricted cash requirements.	199,000
Due to the Water & Sewer Fund from the NNWS Project Fund to cover fund costs.	89,353
	<u>\$ 301,598</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**NASH COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**D. Net Investment in Capital Assets**

**Debt Related to Capital Activities** - Of the Governmental Activities debt listed, only \$17,335,013 relates to assets the County holds title.

The total net investment in capital assets at June 30, 2018 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	\$ 58,420,914	\$ 33,459,242
Add:		
Deferred charges (capital related)	<u>90,211</u>	
Total capital assets and related deferred charges	<u>58,511,125</u>	<u>33,459,242</u>
Total debt, gross	54,280,348	13,053,400
Less:		
Other non-capital related debt	36,945,335	-
Capital related unspent debt issuances	<u>2,370,345</u>	<u>-</u>
Total capital debt	<u>14,964,668</u>	<u>13,053,400</u>
Net investment in capital assets	<u><u>\$ 43,546,457</u></u>	<u><u>\$ 20,405,842</u></u>

**E. Fund Balance**

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriations:

Total Fund Balance - General Fund	\$ 42,676,518
Less:	
Prepaid Assets	25,075
Stabilization by State Statute	6,094,443
General Government	63,903
Human Services	1,686,538
Economic Development	800,664
Education	750,000
Tax Revaluation	103,744
Appropriated fund balance in 2018 budget	4,833,062
Remaining Fund Balance	<u>28,319,089</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Encumbrances	\$ 339,335	\$ 21,455

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**NOTE IV: Joint Ventures**

**Nash Community College**

The County, in conjunction with the State of North Carolina and the Rocky Mount Nash Board of Education, participates in a joint venture to operate the Nash Community College (Community College). Each of the three entities appoints four members of the twelve-member Board of Trustees of the Community College. The Community College is a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and for providing some financial support for the Community College's operation. The County has an ongoing financial responsibility for the college because of statutory responsibility to provide funding for the Community College's facilities. The County contributed \$2,095,185 to the Community College for operating purposes and \$285,000 for capital outlay during the year ended June 30, 2018. The participants in the joint venture do not have any equity interest in the Community College; therefore no equity interest has been reflected in the County's financial statements at June 30, 2018. Complete financial statements for the Community College may be obtained from the college's administrative offices at Old Carriage Road, Rocky Mount, North Carolina 27804.

**Trillium**

Effective July 1, 2017, the County Transitioned its joint venture Local Management Entity (LME) participation from Eastpointe to Trillium Health Resources (Trillium). Trillium now operates with twenty-five other counties (including Nash County). Nash County appoints two board members to the seventeen Central Regional Advisory board of Trillium. The County will have an ongoing financial responsibility of the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity will be reflected in the financial statements. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$200,000 to Trillium to supplement its activities for the fiscal year ending June 30, 2018. Complete financial statement for Trillium may be obtained from Trillium's office at 1708 E. Arlington Blvd., Greenville, NC 27858-5872.

**Rocky Mount - Wilson Airport Authority**

The County, in conjunction with the City of Rocky Mount, City of Wilson, Edgecombe County, and Wilson County, participates in a joint venture to operate the Rocky Mount-Wilson Airport Authority (Authority) for the joint benefit of all co-sponsors. Upon dissolution of the Authority, the assets would be shared in proportion to each sponsor's original contribution. The County's initial contribution totaled \$100,000, which represents one-seventh of the total contribution. A seven-member board governs the Authority, two from each City and one from each County. All co-sponsors are obligated by contract to contribute funds on an annual basis, as needed, to enable the Authority to operate the airport. The County contributed \$47,857 to the Authority during the year ended June 30, 2018. The participating governments have an equity interest in the joint venture. The County has a share of 14% in the joint venture, and accordingly, an equity interest has been reflected in the County's financial statements in the Statement of Net Position as a non-current asset in the amount of \$993,900 at June 30, 2018. This amount represents 14% of the estimated net position of the Authority expected to be shown in the Authority's audited June 30, 2017 financial statements. The audited June 30, 2017 financial statements for the Authority are currently not available but once completed can be obtained from the Authority's administrative office at 250 Airport Drive, Elm City, North Carolina 27822.

**Joint Cooperative Agreement - Down East Home Consortium**

The County, in conjunction with the City of Rocky Mount and Edgecombe County, participates in a joint venture to operate the Down East Home Consortium, (the "DEHC"). The agreement commenced on June 30, 1996; the members of the DEHC may choose to continue as a consortium or may notify HUD that it has dissolved. The participating governments mutually agree that Rocky Mount shall act as the lead entity. Each of the entities appoints one member of a three-member DEHC Home Coordinating committee. Each participating government shall receive a percentage of the home funds based on a proration of the population. Each participating government shall be responsible for providing matching funds required by the federal regulations for any home funds allocated and accepted for use by that government. As of June 30, 2018, the County contribution was not required due to other funds leveraged by the consortium. Complete financial statements for the DEHC may be obtained from the DEHC's administrative offices at 331 S. Franklin Street, Rocky Mount, North Carolina 27802.

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**Carolinas Gateway Partnership, Inc.**

The County, in conjunction with Edgecombe County, the Town of Tarboro, the Town of Nashville, and the City of Rocky Mount, participates in a joint venture to operate Carolinas Gateway Partnership, Inc. (Partnership). As of June 30, 2018, \$289,745 in pledges and contributions have been received from 130 donors from the private sector and \$700,011 in public funding. As of June 30, 2018, the County contributed \$317,717 to support the Partnership. Complete financial statements for the Partnership may be obtained from the Partnership's administrative offices at 427 Falls Road, Rocky Mount, North Carolina 27804.

**Braswell Memorial Library**

The County, in conjunction with the Library Association, the City of Rocky Mount and Edgecombe County, participates in a joint venture to operate the Braswell Memorial Library (Library). Each of the entities appoints members of the twelve-member Board of Trustees of the Library. The County appoints two of the twelve Board members. The County contributed \$850,739 to the Library's operating purposes and \$14,000 for branch library needs during the year ended June 30, 2018. In addition, the County has contributed \$142,627 of federal and State funds; primarily the State equalizing and block grants, to supplement the County's funding. Complete financial statements for the Library may be obtained from the Library's administrative offices at 727 N. Grace Street, Rocky Mount, North Carolina 27804.

**NOTE V: Related Party Transactions**

**Nash County Healthcare Systems**

During 1995, Nash County Healthcare Systems (Systems) renegotiated the existing operating lease agreement with Nash County for the use of the land and building originally purchased by the County (the "First Amendment"). Systems prepaid the lease amount of \$12 million in 1995. The renegotiated lease agreement, before extensions, was scheduled to expire in May 2000. During December 1997, Systems and the County extended the lease through May 2011 (the "Second Amendment"). Under the Second Amendment, additional considerations of \$300,000 per year was paid through 2001. During May 2001, Systems and the County extended the lease through May 2031 (the "Third Amendment"). Under the Third Amendment, Systems will pay the County additional consideration of 4.5 percent of System's net income, as defined from its immediately preceding fiscal year beginning with the lease year starting May 2002. In addition, the Third Amendment provided that additional consideration of \$300,000 would be paid to the County for the lease year ending April 2002. There were no other payments made to the County in 2018, 2017 and 2016.

**NOTE VI: Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients which do not appear in the financial statements because they are not revenues and expenditures of the County.

	<b>Federal</b>	<b>State</b>
Medicaid	\$ 102,537,971	\$ 53,034,412
State Children's Insurance Program	2,243,061	1,959
WIC	2,209,832	
Food and Nutrition Services	21,095,321	
Family Preservation	21,376	
IV-E Adopt & Vendor & Gua	262,908	63,467
TANF Payments & Penalties	299,910	(6)
CWS Adopt, Vendor, Guard		150,121
SAA/SAD HB 1030		42,721
SC/SA Domiciliary Care		656,219
	<u>\$ 128,670,379</u>	<u>\$ 53,948,893</u>

**NASH COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**NOTE VII: Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

**NOTE VIII: Significant Effects of Subsequent Events**

On July 16, 2018 Nash County received notification of final approval for a State Loan and Grant from the Water Infrastructure Fund through the North Carolina Department of Environmental Quality, Division of Water Infrastructure (DWI) in the amount of \$9,545,000. The State Loan offered is \$6,545,000 (an interest rate of 1.03% on \$3,545,000 and a 0% interest rate on \$3,000,000) with a loan term of 20 years and the Grant is \$3,000,000. These funds will be used for the construction of the Northern Nash Water System project.

On August 15, 2018 the County entered into an installment purchase contract to finance a Public Safety Radio Upgrade Project for \$3,200,000 with principal payments due in ten semi-annual installments of \$320,000, plus interest (interest rate of 2.60%).

On August 31, 2018 the County entered into an asset purchase agreement with Health View Home Health & Hospice, LLC, selling substantially all of the assets relating to the operations of the County's Home Health Agency for \$2,000,000.

**NOTE IX: Change in Accounting Principles/ Restatement**

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 89, *Accounting for Interest Cost Incurred Before the End of A Construction Period*, in the fiscal year ending June 30, 2018. As a result, current net position for the governmental activities decreased \$275,985 due to interest costs reflected in the current year.

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 75, *Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of contributions paid by the County to the OPEB Trust during the measurement period, as well as the removal of the net OPEB obligation. As a result, net position for the governmental and business-type activities decreased by \$43,801,989 and \$1,103,680, respectively.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

---

This section contains additional information required by generally accepted accounting principals.

---

- 1 ~ Schedule of County's Proportionate Share of Net Pension Liability (Asset) for (LGERS)
- 2 ~ Schedule of County Contributions (LGERS)
- 3 ~ Schedule of County's Proportionate Share of Net Pension Asset Register of Deeds' Supplemental Pension Fund
- 4 ~ Schedule of County Contributions Register of Deeds' Supplemental Pension Fund
- 5 ~Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance.
- 6 ~ Schedule of Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance.
- 7 ~Schedule of Changes in the Total OPEB Liability and Related Ratios

**Nash County, North Carolina**  
**Schedule of Proportionate Share of Net Pension Liability (Asset)**  
**Local Government Employees' Retirement System**  
**Last Five Fiscal Years\***

<b>Local Government Employees' Retirement System</b>					
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.457%	0.459%	0.454%	0.133%	0.140%
County's proportion of the net pension liability (asset) (\$)	\$ 6,977,416	\$ 9,741,518	\$ 2,039,095	\$ (2,729,877)	\$ 5,559,231
County's covered payroll	\$27,818,357	\$ 27,356,637	\$26,653,776	\$ 26,582,280	\$ 24,856,328
County's proportionate share of the net pension liability(asset) as a percentage of its covered-employee payroll	25.08%	35.61%	7.65%	-10.27%	22.37%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

\*\*\* Information is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2024.



**Nash County, North Carolina**  
**Schedule of County Contributions**  
**Local Government Employees' Retirement System**  
**Last Five Fiscal Years**

<b>Local Government Employees' Retirement System</b>					
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 2,163,717	\$ 2,065,349	\$ 1,862,572	\$ 1,896,931	\$ 1,886,865
Contributions in relation to the contractually required contribution	2,163,717	2,065,349	1,862,572	1,896,931	1,886,865
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$28,220,995	\$ 27,818,357	\$ 27,356,637	\$ 26,653,776	\$ 26,582,280
Contributions as a percentage of covered-employee payroll	7.67%	7.42%	6.81%	7.12%	7.10%

\* Information is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2024.

**Nash County, North Carolina**  
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Five Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	0.833%	0.832%	0.835%	0.841%	0.857%
County's proportionate share of the net pension liability (\$)	\$ (142,234)	\$ (155,609)	\$ (193,505)	\$ (190,650)	\$ (183,092)
Plan fiduciary net position as a percentage of the total pension liability **	153.77%	160.17%	197.29%	193.88%	190.50%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

\*\*\*Information is not required to be presented retroactively.

This schedule will NOT present 10 years' worth of information until fiscal year 2024.

**Nash County, North Carolina**  
**Schedule of County Contributions**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Five Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 7,291	\$ 7,240	\$ 6,799	\$ 6,682	\$ 6,867
Contributions in relation to contractually required contribution	<u>7,291</u>	<u>7,240</u>	<u>6,799</u>	<u>6,682</u>	<u>6,867</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Information is not required to be presented retroactively.  
This schedule will not present 10 years' worth of information until fiscal year 2024.

**Nash County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2018**

	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 2,019,702	\$ 1,939,698
Service Cost	112,396	108,605
Interest on the total pension liability	76,739	68,511
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	35,774	-
Changes of assumptions or other inputs	159,813	(55,869)
Benefit payments	(63,267)	(41,243)
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 2,341,157</u>	<u>\$ 2,019,702</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

\* Information is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2027.

**Nash County, North Carolina**  
**Schedule of Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2018**

---

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,341,157	\$ 2,019,702
Covered payroll	4,478,620	4,064,900
Total pension liability as a percentage of covered payroll	52.27%	49.69%

Note to the schedules:

Nash County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

\* Information is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2027.

**Nash County, North Carolina**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Healthcare Benefits Plan**  
**For the Year Ended June 30, 2018\***

	<u><b>2018</b></u>
<b>Total OPEB Liability</b>	
Service cost	\$ 1,549,505
Interest	1,899,497
Changes of benefit terms	-
Differences between expected and actual experience	(125,628)
Changes of assumptions	(5,816,560)
Benefit payments	(1,071,621)
<b>Net change in total OPEB liability</b>	<u>(3,564,807)</u>
<b>Total OPEB liability - beginning</b>	<u>63,638,041</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 60,073,234</u></u>
 <b>Covered payroll</b>	 \$ 18,149,878
 <b>Total OPEB liability as a percentage of covered payroll</b>	 330.98%

**Notes to Schedule**

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u><b>Fiscal year</b></u>	<u><b>Rate</b></u>
2018	3.56%

\* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

Combining and Individual Fund  
Statements and Schedules

## MAJOR GOVERNMENTAL FUNDS



**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Ad valorem Taxes				
Current year	\$ 47,308,443	49,028,278	\$ 1,719,835	\$ 49,433,732
Prior Year	550,000	694,166	144,166	630,984
Penalties and interest	80,000	259,464	179,464	277,721
Total	47,938,443	49,981,908	2,043,465	50,342,437
Other Taxes and Licenses				
Local option sales taxes	13,928,335	14,858,386	930,051	14,334,997
Real estate transfer taxes	230,000	306,263	76,263	245,636
Rental vehicle tax	80,000	87,612	7,612	85,957
Privilege licenses	3,000	5,125	2,125	5,645
Total	14,241,335	15,257,386	1,016,051	14,672,235
Unrestricted Intergovernmental Revenues				
Beer and wine	180,000	178,639	(1,361)	185,632
ABC 5% bottle tax	45,000	38,635	(6,365)	38,002
Video programming tax	84,000	108,029	24,029	111,013
Total	309,000	325,303	16,303	334,647
Restricted Intergovernmental Revenues				
Restricted state DSS	9,186,049	8,777,538	(408,511)	11,288,449
Restricted State health	1,819,914	1,622,435	(197,479)	1,746,945
Restricted State other	3,046,406	2,907,385	(139,021)	3,313,557
Restricted federal health	3,964,043	3,050,242	(913,801)	3,107,640
Restricted local grants	343,057	341,658	(1,399)	403,860
Total	18,359,469	16,699,258	(1,660,211)	19,860,451
Permits and Fees				
Register of Deeds	325,000	360,662	35,662	356,121
Building permits	440,000	561,359	121,359	330,859
Imaging system payback	76,429	76,428	(1)	17,891
Other permits and fees	357,921	399,958	42,037	381,137
Total	1,199,350	1,398,407	199,057	1,086,008
Sales and Services				
Sheriff's officer fees	15,000	14,241	(759)	16,167
Jail Fees	125,000	160,040	35,040	144,476
Home health - other	2,063	11,846	9,783	4,652
Environmental fees	104,000	147,923	43,923	109,899
Ambulance collections	3,675,000	3,514,941	(160,059)	3,789,759
Ambulance cost settlement	500,000	563,043	63,043	607,898
Local health	143,000	202,551	59,551	165,802
Other sales and services	340,303	346,939	6,636	297,354
Total	4,904,366	4,961,524	57,158	5,136,007
Interest on investments	225,000	580,215	355,215	336,355

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Miscellaneous				
Nash general lease	-	-	-	-
Sales tax refund	-	39,619	(39,619)	10,776
Contribution from ABC Board	378,347	418,687	40,340	400,113
TDA funds - economic development	105,500	98,989	(6,511)	75,000
Miscellaneous	577,076	592,259	15,183	527,480
Total	1,060,923	1,149,554	9,393	1,013,369
 Total Revenues	 88,237,886	 90,353,555	 2,036,431	 92,781,509
<b>Expenditures</b>				
General Government:				
Governing Body				
Salaries and employee benefits	71,350	69,883	1,467	69,728
Professional services	1,450	-	1,450	1,470
Other operating expenditures	46,285	39,318	6,967	42,365
Total	119,085	109,201	9,884	113,563
Administration				
Salaries and employee benefits	610,982	610,623	359	584,309
Professional services	3,198	2,477	721	2,302
Other operating expenditures	41,423	37,927	3,496	33,080
Total	655,603	651,027	4,576	619,691
Finance				
Salaries and employee benefits	533,128	532,534	594	528,024
Other operating expenditures	28,880	20,375	8,505	16,020
Total	562,008	552,909	9,099	544,044
Disaster Recovery				
Salaries and employee benefits	-	-	-	46,430
Other operating expenditures	-	-	-	50,586
Total	-	-	-	97,016
Human Resources				
Salaries and employee benefits	229,137	229,088	49	287,889
Professional services	8,430	5,622	2,808	4,731
Other operating expenditures	8,420	6,645	1,775	4,372
Total	245,987	241,355	4,632	296,992
Board of Elections				
Salaries and employee benefits	197,598	186,172	11,426	194,010
Other operating expenditures	76,100	62,550	13,550	73,944
Total	273,698	248,722	24,976	267,954
Election Cost				
Salaries and employee benefits	110,640	73,792	36,848	98,891
Other operating expenditures	124,300	77,047	47,253	69,736
Capital Outlay	50,000	50,000	-	-
Total	284,940	200,839	84,101	168,627

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
<b>Tax Supervisor and Data Processing</b>				
Salaries and employee benefits	1,311,942	1,295,365	16,577	1,325,871
Professional services	81,510	68,919	12,591	38,155
Other operating expenditures	309,671	280,209	29,462	289,950
Total	1,703,123	1,644,493	58,630	1,653,976
<b>Legal</b>				
Professional services	310,000	280,006	29,994	123,270
Total	310,000	280,006	29,994	123,270
<b>Register of Deeds</b>				
Salaries and employee benefits	276,110	274,221	1,889	267,754
Other operating expenditures	123,218	121,851	1,367	62,895
Total	399,328	396,072	3,256	330,649
<b>Management Information Services</b>				
Salaries and employee benefits	614,754	521,039	93,715	669,497
Professional services	28,200	17,984	10,216	13,721
Other operating expenditures	27,059	19,043	8,016	31,156
Total	670,013	558,066	111,947	714,374
<b>Technology</b>				
Other operating expenditures	663,578	563,137	100,441	690,852
Capital Outlay	513,267	490,952	22,315	32,683
Total	1,176,845	1,054,089	122,756	723,535
<b>Public Buildings</b>				
Professional services	5,000	4,119	881	920
Other operating expenditures	355,854	336,403	19,451	279,586
Capital Outlay	89,909	70,126	19,783	223,365
Total	450,763	410,648	40,115	503,871
<b>Non-Departmental Costs</b>				
Professional services	152,000	134,440	17,560	73,026
Other operating expenditures	1,286,936	1,089,952	196,984	1,010,826
Total	1,438,936	1,224,392	214,544	1,083,852
<b>Administration Building</b>				
Salaries and employee benefits	550,557	526,450	24,107	505,550
Professional services	4,520	4,516	4	6,484
Other operating expenditures	318,669	292,884	25,785	236,375
Capital Outlay	30,300	30,300	-	20,098
Total	904,046	854,150	49,896	768,507
<b>Court Facilities</b>				
Salaries and employee benefits	2,400	2,250	150	-
Other operating expenditures	180,896	177,893	3,003	181,080
Total	183,296	180,143	3,153	181,080

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
County Capital Improvements				
Other operating expenditures	13,947	13,947	-	45,848
Capital Outlay	197,368	167,423	29,945	335,820
Total	211,315	181,370	29,945	381,668
 Total General Government	 9,588,986	 8,787,482	 801,504	 8,572,669
 Public safety:				
Sheriff				
Salaries	4,651,356	4,624,122	27,234	4,505,761
Professional services	2,500	2,483	17	907
Other operating expenditures	1,270,656	1,219,367	51,289	1,418,414
Capital Outlay	269,498	269,498	-	275,544
Total	6,194,010	6,115,470	78,540	6,200,626
 Court Security				
Salaries and employee benefits	941,366	909,977	31,389	932,870
Total	941,366	909,977	31,389	932,870
 School Officers NRMS				
Salaries and employee benefits	314,553	306,831	7,722	308,717
Other operating expenditures	23,125	14,925	8,200	18,919
Total	337,678	321,756	15,922	327,636
 Jail				
Salaries and employee benefit	2,615,508	2,585,662	29,846	2,597,382
Professional services	539,200	491,577	47,623	408,368
Other operating expenditures	1,164,970	1,080,533	84,437	912,389
Capital outlay	59,922	46,370	13,552	31,491
Total	4,379,600	4,204,142	175,458	3,949,630
 Court Liaison Grant - ARRA				
Salaries and employee benefits	55,656	55,358	298	55,648
Other operating expenditures	44,250	38,374	5,876	44,338
Total	99,906	93,732	6,174	99,986
 Communications				
Salaries and employee benefits	1,557,253	1,456,486	100,767	1,469,346
Other operating expenditures	127,906	111,475	16,431	109,025
Capital outlay	250	-	250	2,334
Total	1,685,409	1,567,961	117,448	1,580,705
 Emergency services				
Salaries and employee benefits	560,674	523,617	37,057	557,009
Other operating expenditures	119,142	88,508	30,634	87,209
Capital outlay	-	-	-	33,319
Total	679,816	612,125	67,691	677,537

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Emergency Medical Services				
Salaries and employee benefit	5,976,441	5,728,000	248,441	5,393,100
Professional services	312,250	298,236	14,014	274,638
Other operating expenditures	983,533	952,988	30,545	850,850
Capital Outlay	257,992	177,744	80,248	-
Total	7,530,216	7,156,968	373,248	6,518,588
Fire and Rescue				
Professional services	235,660	235,660	-	235,660
Total	235,660	235,660	-	235,660
Animal Control				
Salaries and employee benefits	267,353	257,948	9,405	267,165
Professional services	40,800	39,760	1,040	41,318
Other operating expenditures	52,001	48,361	3,640	42,219
Capital outlay	-	-	-	350
Total	360,154	346,069	14,085	351,052
Forestry				
Other operating expenditures	107,886	106,085	1,801	71,897
Total	107,886	106,085	1,801	71,897
Medical Examiner				
Professional services	100,500	91,900	8,600	85,300
Total	100,500	91,900	8,600	85,300
Total Public Safety	22,652,201	21,761,845	890,356	21,031,487
Transportation:				
Airport				
Other operating expenditures	47,857	47,857	-	47,857
Capital outlay	23,702	-	23,702	-
Total	71,559	47,857	23,702	47,857
Rural Transportation Planning				
Salaries and employee benefits	70,711	69,998	713	70,504
Professional services	42,814	-	42,814	-
Other operating expenditures	26,475	22,175	4,300	25,230
Total	140,000	92,173	47,827	95,734
Total transportation	211,559	140,030	71,529	143,591
Economic and Physical Development:				
Planning				
Salaries and employee benefits	288,101	284,075	4,026	282,636
Professional services	17,325	8,471	8,854	11,783
Other operating expenditures	27,575	25,087	2,488	23,616
Total	333,001	317,633	15,368	318,035

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Inspections</b>				
Salaries and employee benefits	321,258	300,257	21,001	318,335
Other operating expenditures	37,110	35,288	1,822	28,573
Capital outlay	127,050	8,250	118,800	-
Total	485,418	343,795	141,623	346,908
<b>Cooperative Extension</b>				
Salaries and employee benefits	264,515	232,359	32,156	197,250
Other operating expenditures	72,375	65,799	6,576	69,818
Capital outlay	7,000	6,920	80	27,500
Total	343,890	305,078	38,812	294,568
<b>Soil Conservation</b>				
Salaries and employee benefits	326,060	296,862	29,198	314,719
Other operating expenditures	61,362	49,300	12,062	51,085
Capital outlay	30,004	29,948	56	-
Total	417,426	376,110	41,316	365,804
<b>Economic Development</b>				
Salaries and employee benefits	60,833	47,486	13,347	-
Professional services	1,000	400	600	-
Operating expenditures	1,034,117	1,021,919	12,198	899,474
Total	1,095,950	1,069,805	26,145	899,474
<b>Total Economic and Physical Develop</b>	<b>2,675,685</b>	<b>2,412,421</b>	<b>263,264</b>	<b>2,224,789</b>
<b>Human services:</b>				
<b>Health</b>				
<b>Administration</b>				
Salaries and employee benefits	1,301,699	1,226,813	74,886	1,240,026
Professional services	138,069	111,701	26,368	124,014
Other operating expenditures	487,176	352,065	135,111	328,959
Capital outlay	7,000	-	7,000	-
Total	1,933,944	1,690,579	243,365	1,692,999
<b>Family Planning</b>				
Salaries and employee benefits	751,487	749,145	2,342	741,586
Professional services	54,602	44,495	10,107	50,819
Other operating expenditures	161,500	116,818	44,682	144,200
Total	967,589	910,458	57,131	936,605
<b>Home Health</b>				
Salaries and employee benefits	1,134,894	827,736	307,158	1,043,250
Professional services	717,326	514,147	203,179	508,584
Other operating expenditures	231,441	135,511	95,930	197,608
Total	2,083,661	1,477,394	606,267	1,749,442

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b>CAP</b>				
Salaries and employee benefits	207,822	207,528	294	208,001
Other operating expenditures	32,426	28,319	4,107	30,209
Total	240,248	235,847	4,401	238,210
<b>Child Service Coordinator</b>				
Salaries and employee benefits	186,218	185,461	757	186,306
Professional services	105	105	-	105
Other operating expenditures	84,543	19,112	65,431	13,206
Total	270,866	204,678	66,188	199,617
<b>Child Health</b>				
Salaries and employee benefits	298,642	294,588	4,054	292,181
Professional services	33,661	29,496	4,165	34,161
Other operating expenditures	310,000	275,661	34,339	275,539
Total	642,303	599,745	42,558	601,881
<b>Maternal Health</b>				
Salaries and employee benefits	587,825	507,638	80,187	538,610
Professional services	67,348	65,953	1,395	61,055
Other operating expenditures	63,700	42,442	21,258	40,771
Total	718,873	616,033	102,840	640,436
<b>AIDS</b>				
Salaries and employee benefits	60,109	49,063	11,046	48,387
Other operating expenditures	32,057	25,875	6,182	27,340
Total	92,166	74,938	17,228	75,727
<b>Health Promotion</b>				
Salaries and employee benefits	74,212	74,000	212	73,529
Other operating expenditures	15,875	8,530	7,345	5,153
Total	90,087	82,530	7,557	78,682
<b>Environmental Health</b>				
Salaries and employee benefits	700,686	567,238	133,448	634,405
Professional services	1,700	-	1,700	-
Other operating expenditures	56,135	50,107	6,028	40,267
Total	758,521	617,345	141,176	674,672
<b>Diabetic Care</b>				
Professional services	1,500	250	1,250	125
Other operating expenditures	250	90	160	-
Total	1,750	340	1,410	125

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
<b>Tuberculosis</b>				
Salaries and employee benefits	142,268	140,037	2,231	141,406
Professional services	5,000	4,961	39	5,105
Other operating expenditures	7,824	6,505	1,319	9,060
Total	155,092	151,503	3,589	155,571
<b>WIC Administration</b>				
Salaries and employee benefits	517,691	500,072	17,619	492,096
Professional services	1,000	-	1,000	-
Other operating expenditures	67,496	18,946	48,550	16,389
Total	586,187	519,018	67,169	508,485
<b>Communicable Disease</b>				
Salaries and employee benefits	141,226	102,065	39,161	131,720
Professional services	36,180	31,724	4,456	31,808
Other operating expenditures	12,852	9,708	3,144	16,260
Total	190,258	143,497	46,761	179,788
<b>Healthy Start Baby Love Plus</b>				
Salaries and employee benefits	89,574	87,706	1,868	81,079
Professional services	105	105	-	-
Other operating expenditures	25,845	10,485	15,360	13,888
Total	115,524	98,296	17,228	94,967
<b>Breast and Cervical Cancer</b>				
Salaries and employee benefits	13,354	13,274	80	13,105
Professional services	47,846	40,369	7,477	48,341
Total	61,200	53,643	7,557	61,446
<b>Immunization Action Plan</b>				
Salaries and employee benefits	31,826	31,797	29	31,490
Other operating expenditures	825	201	624	621
Total	32,651	31,998	653	32,111
<b>Lead Grant</b>				
Salaries and employee benefits	6,460	-	6,460	3,203
Other operating expenditures	8,740	750	7,990	55
Total	15,200	750	14,450	3,258



**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Bioterrorism Program</b>				
Salaries and employee benefits	34,230	33,467	763	34,235
Other operating expenditures	3,185	2,876	309	2,837
Total	37,415	36,343	1,072	37,072
<b>Community Care of Eastern North Carolina</b>				
Salaries and employee benefits	158,266	147,196	11,070	157,039
Other operating expenditures	31,107	3,753	27,354	9,163
Total	189,373	150,949	38,424	166,202
<b>OB Case Management</b>				
Salaries and employee benefits	222,881	216,787	6,094	214,847
Professional services	105	105	-	104
Other operating expenditures	58,188	23,317	34,871	12,535
Total	281,174	240,209	40,965	227,486
<b>EBOLA Preparedness</b>				
Other operating expenditures	-	-	-	3,161
Total	-	-	-	3,161
<b>Total Health</b>	<b>9,464,082</b>	<b>7,936,093</b>	<b>1,527,989</b>	<b>8,357,943</b>
<b>Office of Juvenile Justice</b>				
Other operating expenditures	356,598	356,598	-	290,889
Total	356,598	356,598	-	290,889
<b>Mental Health</b>				
Other operating expenditures	251,860	228,638	23,222	233,854
Total	251,860	228,638	23,222	233,854
<b>Home Care Community Block Grant</b>				
Other operating expenditures	782,903	771,462	11,441	743,399
Total	782,903	771,462	11,441	743,399
<b>Social Services:</b>				
<b>General</b>				
Salaries	8,643,215	8,232,855	410,360	8,261,795
Professional services	39,165	32,809	6,356	33,018
Assistance payments	868,582	852,782	15,800	833,005
Other operating expenditures	537,991	424,330	113,661	341,187
Capital outlay	77,745	76,747	998	35,990
Total	10,166,698	9,619,523	547,175	9,504,995
<b>Title IVD-1571</b>				
Salaries and employee benefits	1,194,458	1,152,866	41,592	1,181,903
Professional services	1,650	1,006	644	1,426
Other operating expenditures	47,375	32,294	15,081	43,627
Total	1,243,483	1,186,166	57,317	1,226,956

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Work First				
Salaries and employee benefits	344,329	294,743	49,586	367,164
Other operating expenditures	15,975	4,104	11,871	37,175
Total	360,304	298,847	61,457	404,339
Social Services - Other				
WFFA charges	1,000	158	842	-
Special assistance	710,000	706,650	3,350	713,492
Other assistance	1,737,095	1,455,823	281,272	4,041,734
Total	2,448,095	2,162,631	285,464	4,755,226
DNS - County Only Participation				
Non-reimbursable	15,750	12,789	2,961	12,129
Foster children	4,500	3,427	1,073	5,377
Pauper burials	2,500	1,182	1,318	3,022
Total	22,750	17,398	5,352	20,528
Total social services	14,241,330	13,284,565	956,765	15,912,044
Aging				
Salaries and employee benefits	185,829	154,880	30,949	156,543
Other operating expenditures	50,647	41,806	8,841	41,980
Contracts and grants	50,735	44,468	6,267	40,660
Total	287,211	241,154	46,057	239,183
Senior Center Caregiver Grant				
Salaries and employee benefits	5,793	5,793	-	14,651
Other operating expenditures	6,472	5,602	870	5,905
Total	12,265	11,395	870	20,556
Senior Health Insurance Info Program				
Other operating expenditures	12,830	8,666	4,164	1,686
Total	12,830	8,666	4,164	1,686
Medical Impr Patient Provider Act				
Other operating expenditures	1,773	-	1,773	-
Total	1,773	-	1,773	-
Veteran's Services				
Salaries and employee benefits	97,226	81,193	16,033	65,431
Other operating expenditures	4,750	3,245	1,505	2,900
Total	101,976	84,438	17,538	68,331

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Local Human Services				
Contributions	42,350	40,750	1,600	41,350
Tri-County industries	42,000	42,000	-	42,000
My Sisters House	9,200	9,200	-	9,200
Beaver Control BMAP	4,000	4,000	-	4,000
Nash County Arts Council	30,000	30,000	-	30,000
Nashville Boys Cub	50,000	50,000	-	25,000
House the Children	30,000	30,000	-	30,000
Downeast Partnership for Children	10,000	10,000	-	10,000
Total	217,550	215,950	1,600	191,550
Total Human Services	25,730,378	23,138,959	2,591,419	26,059,435
Cultural:				
Recreation				
Salaries and employee benefits	376,774	337,933	38,841	359,128
Professional services	68,559	68,455	104	63,872
Other operating expenditures	106,377	103,623	2,754	108,537
Total	551,710	510,011	41,699	531,537
Facility Maintenance				
Salaries and employee benefits	103,307	93,895	9,412	64,391
Other operating expenditures	92,895	89,360	3,535	44,953
Total	196,202	183,255	12,947	109,344
Libraries				
Braswell Library	858,738	850,739	7,999	850,739
NC Library Block Grant	143,098	142,626	472	135,800
Local libraries	75,000	70,000	5,000	67,500
Total	1,076,836	1,063,365	13,471	1,054,039
Total Cultural	1,824,748	1,756,631	68,117	1,694,920
Education:				
Nash Community College				
Operating expenditures	2,095,185	2,095,185	-	2,000,000
Capital outlay	285,000	285,000	-	250,000
Total	2,380,185	2,380,185	-	2,250,000
Nash Rocky Mount Schools				
Operating expenditures	20,320,261	20,320,261	-	20,400,584
Capital outlay	1,396,890	1,396,890	-	1,796,890
Total	21,717,151	21,717,151	-	22,197,474
Total Education	24,097,336	24,097,336	-	24,447,474
Debt service:				
Principal retirement	6,432,489	4,732,482	1,700,007	3,269,070
Interest and fees	1,449,614	1,444,449	5,165	1,565,740
Bond issuance cost	-	-	-	162,704
Total debt service	7,882,103	6,176,931	1,705,172	4,997,514
Total expenditures	94,662,996	88,271,635	6,391,361	89,171,879
Revenue over (under) expenditures	(6,425,110)	2,081,920	(8,507,030)	3,609,630

**Nash County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Transfers to other funds:				
Special revenue funds	(35)	(35)	-	-
Capital project funds	(1,815,900)	(1,815,900)	-	(1,031,755)
Tax Revaluation Fund	(65,000)	(65,000)	-	(115,000)
Transfers from other funds				
Special revenue funds	25,000	50,000	(25,000)	25,000
Capital project funds	-	-	-	31,755
Refunding bonds issued	1,700,000	-	1,700,000	19,034,000
Payment to refunded bond escrow agent			-	(18,871,296)
Contingency	(25,000)	-	(25,000)	-
Appropriated fund balance	6,606,045	-	6,606,045	-
<b>Total other financing sources (uses)</b>	<u>6,425,110</u>	<u>(1,830,935)</u>	<u>8,256,045</u>	<u>(927,296)</u>
Excess of revenues and other sources over (under expenditures and other uses)	<u>\$ -</u>	250,985	<u>\$ (250,985)</u>	2,682,334
Fund balance- July 1		<u>41,521,125</u>		<u>38,838,791</u>
Fund balance- June 30		<u>\$ 41,772,110</u>		<u>\$ 41,521,125</u>

**Nash County, North Carolina**  
**Revaluation Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Investment earnings	\$ -	\$ 1,263	\$ 1,263	\$ 682
<b><u>EXPENDITURES</u></b>				
Revaluation of tax base	145,000	80,000	65,000	227,468
Revenues over (under) expenditures	(145,000)	(78,737)	66,263	(226,786)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds	65,000	65,000	-	115,000
Appropriated fund balance	80,000	-	(80,000)	-
Total other financing sources (uses)	145,000	65,000	(80,000)	115,000
Revenues and other sources over (under) expenditures and other uses	\$ -	(13,737)	\$ (13,737)	(111,786)
Fund balance, beginning		117,481		229,267
Fund balance, ending		\$ 103,744		\$ 117,481

**Nash County, North Carolina**  
**Economic Development Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance- Budget and Actual**  
**For the Year Ended June 30, 2018**  
**With Comparative Actual Amounts For The Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 45,725
<b><u>EXPENDITURES</u></b>				
Economic and physical development	50,000	50,000	-	45,725
Revenues Over (Under) Expenditures	(50,000)	(50,000)	-	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds	-	-	-	37,435
Transfers to other funds	-	-	-	(235,012)
Appropriated fund balance	50,000	-	(50,000)	-
Total other financing sources (uses)	50,000	-	(50,000)	(197,577)
Revenues and other sources over (under) expenditures and other uses	\$ -	(50,000)	\$ (50,000)	(197,577)
<b><u>FUND BALANCE</u></b>				
Beginning of year- July 1		850,664		1,048,241
End of year- June 30		\$ 800,664		\$ 850,664

**Nash County, North Carolina**  
**Courthouse Expansion Capital Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Sales tax refund	\$ -	\$ 13,915	\$ 86,967	\$ 100,882	\$ 100,882
Interest on investments	-	43,546	84,420	127,966	127,966
Total Revenue	-	57,461	171,387	228,848	228,848
<b>EXPENDITURES</b>					
Capital Outlay:					
Public Safety:					
Construction	12,916,572	2,724,765	8,657,706	11,382,471	1,534,101
Legal and professional services	55,000	28,960	1,220	30,180	24,820
Engineering, survey, and design	915,775	787,676	75,744	863,420	52,355
Contingency	112,653	-	-	-	112,653
Total	14,000,000	3,541,401	8,734,670	12,276,071	1,723,929
Revenues over (under) expenditures	(14,000,000)	(3,483,940)	(8,563,283)	(12,047,223)	1,952,777
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from other funds	-	2,000,000	-	2,000,000	2,000,000
Issuance of debt	14,000,000	14,000,000	-	14,000,000	-
Total Other Financing Sources (Uses)	14,000,000	16,000,000	-	16,000,000	2,000,000
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 12,516,060	(8,563,283)	\$ 3,952,777	\$ 3,952,777
Fund balance, beginning			12,516,060		
Fund balance, ending			\$ 3,952,777		

## NON-MAJOR GOVERNMENTAL FUNDS



**Nash County, North Carolina**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

	Special Revenue Funds					
	Rural Operating Assistance Fund	Fire Districts Fund	Emergency Telephone System Fund	Controlled Substance Fund	Federal Asset Forfeiture Fund	Stormwater Maint Fund
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 65,137	\$ 574,901	\$ 275,671	\$ 56,229	\$ 292,403	\$ 25,833
Restricted cash and cash equivalents	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	42,704	39,369	10	-	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>\$ 65,137</u>	<u>\$ 617,605</u>	<u>\$ 315,040</u>	<u>\$ 56,239</u>	<u>\$ 292,403</u>	<u>\$ 25,833</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	37,699	-	8,155	51	70,586	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>37,699</u>	<u>-</u>	<u>8,155</u>	<u>51</u>	<u>70,586</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	-	42,704	39,369	10	-	-
Public Safety	-	574,901	267,516	-	221,817	-
Transportation	27,438	-	-	-	-	-
Economic Development	-	-	-	-	-	25,833
Education	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Committed:						
Economic Development	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-
Education	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Assigned:						
Public Safety	-	-	-	56,178	-	-
General Government	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>27,438</u>	<u>617,605</u>	<u>306,885</u>	<u>56,188</u>	<u>221,817</u>	<u>25,833</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 65,137</u>	<u>\$ 617,605</u>	<u>\$ 315,040</u>	<u>\$ 56,239</u>	<u>\$ 292,403</u>	<u>\$ 25,833</u>

**Nash County, North Carolina**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

	Special Revenue Funds					
	Tourism Fund	Homeland Security Grant Fund	Single Family Rehab Fund	Urgent Repair Program Fund	Abandoned Manufactured Homes Fund	CDBG Grant Fund
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 273,650	\$ 123	\$ -	\$ -	\$ -	\$ 154,872
Restricted cash and cash equivalents	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	18,142	-	-	-
Total assets	<u>\$ 273,650</u>	<u>\$ 123</u>	<u>\$ 18,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,872</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	1,013	-	4,897	-	-	150,000
Due to other funds	-	-	13,245	-	-	-
Total liabilities	<u>1,013</u>	<u>-</u>	<u>18,142</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Education	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Cultural and Recreational	272,637	-	-	-	-	-
General Government	-	-	-	-	-	-
Committed:						
Economic Development	-	-	-	-	-	4,872
Cultural and Recreational	-	-	-	-	-	-
Education	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Assigned:						
Public Safety	-	123	-	-	-	-
General Government	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>272,637</u>	<u>123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,872</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 273,650</u>	<u>\$ 123</u>	<u>\$ 18,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,872</u>

**Nash County, North Carolina**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

	Capital Project Funds					Total Special Rev and Capital Proj Funds
	Capital Reserve Fund	Middlesex Industrial Park Fund	Senior Center/ Miracle Park Capital Fund	School Capital Project Fund	Public Safety Project Fund	
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 2,253,332	\$ 1,273,134	\$ 1,282,750	\$ 750,000	\$ 1,127,380	\$ 8,405,415
Restricted cash and cash equivalents	-	646,416	-	-	-	646,416
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	82,083
Due from other governments	-	-	-	-	-	18,142
Total assets	<u>\$ 2,253,332</u>	<u>\$ 1,919,550</u>	<u>\$ 1,282,750</u>	<u>\$ 750,000</u>	<u>\$ 1,127,380</u>	<u>\$ 9,152,056</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	-	93,843	196,019	-	-	562,263
Due to other funds	-	-	-	-	-	13,245
Total liabilities	<u>-</u>	<u>93,843</u>	<u>196,019</u>	<u>-</u>	<u>-</u>	<u>575,508</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	-	-	-	-	-	82,083
Public Safety	-	-	-	-	-	1,064,234
Transportation	-	-	-	-	-	27,438
Economic Development	-	646,416	-	-	-	672,249
Education	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	272,637
General Government	-	-	-	-	-	-
Committed:						
Economic Development	-	1,179,291	-	-	-	1,184,163
Cultural and Recreational	-	-	1,086,731	-	-	1,086,731
Education	-	-	-	750,000	-	750,000
General Government	-	-	-	-	-	-
Assigned:						
Public Safety	-	-	-	-	1,127,380	1,183,681
General Government	2,253,332	-	-	-	-	2,253,332
Unassigned	-	-	-	-	-	-
Total fund balances	<u>2,253,332</u>	<u>1,825,707</u>	<u>1,086,731</u>	<u>750,000</u>	<u>1,127,380</u>	<u>8,576,548</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,253,332</u>	<u>\$ 1,919,550</u>	<u>\$ 1,282,750</u>	<u>\$ 750,000</u>	<u>\$ 1,127,380</u>	<u>\$ 9,152,056</u>

**Nash County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2018**

	Special Revenue Funds					
	Rural Operating Assistance Fund	Fire Districts Fund	Emergency Telephone System Fund	Controlled Substance Fund	Federal Asset Forfeiture Fund	Stormwater Maint Fund
<b>REVENUES</b>						
Ad valorem taxes	\$ -	\$ 3,401,947	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	185,710	-	472,433	40,389	229,387	-
Investment earnings	1,538	10,121	4,034	1,476	3,310	393
Miscellaneous	-	-	-	11,728	-	-
Total revenues	187,248	3,412,068	476,467	53,593	232,697	393
<b>EXPENDITURES</b>						
Public Safety	-	3,333,625	410,359	54,563	249,130	-
Transportation	185,710	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Education	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Total expenditures	185,710	3,333,625	410,359	54,563	249,130	-
Revenues over (under) Expenditures	1,538	78,443	66,108	(970)	(16,433)	393
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	-	-	35	-	-	-
Transfers to other funds	-	-	-	(50,000)	-	-
Debt issued	-	-	-	-	-	-
Total other financing sources (uses)	-	-	35	(50,000)	-	-
Change in Fund Balances	1,538	78,443	66,143	(50,970)	(16,433)	393
Fund Balance- July 1	25,900	539,162	240,742	107,158	238,250	25,440
Fund Balance- June 30	\$ 27,438	\$ 617,605	\$ 306,885	\$ 56,188	\$ 221,817	\$ 25,833

**Nash County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2018**

	Special Revenue Funds					
	Tourism Fund	Homeland Security Grant Fund	Single Family Rehab Fund	Urgent Repair Program Fund	Abandoned Manufactured Homes Fund	CDBG Grant Fund
<b>REVENUES</b>						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	493,501	184,775	231,388	71,754	-	(150,000)
Investment earnings	4,582	-	-	434	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	498,083	184,775	231,388	72,188	-	(150,000)
<b>EXPENDITURES</b>						
Public Safety	-	184,775	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Development	489,742	-	231,388	117,555	2,500	(149,872)
Education	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Total expenditures	489,742	184,775	231,388	117,555	2,500	(149,872)
Revenues over (under) Expenditures	8,341	-	-	(45,367)	(2,500)	(128)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	-	-	-	-	-	5,000
Transfers to other funds	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	5,000
Change in Fund Balances	8,341	-	-	(45,367)	(2,500)	4,872
Fund Balance- July 1	264,296	123	-	45,367	2,500	-
Fund Balance- June 30	\$ 272,637	\$ 123	\$ -	\$ -	\$ -	\$ 4,872

**Nash County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2018**

	Capital Project Funds					Total Special Rev and Capital Proj Funds
	Capital Reserve Fund	Middlesex Industrial Park Fund	Senior Center/ Miracle Park Capital Fund	School Capital Project Fund	Public Safety Project Fund	
<b>REVENUES</b>						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,401,947
Restricted intergovernmental	-	-	-	-	-	1,759,337
Investment earnings	34,250	127	-	-	-	60,265
Miscellaneous	-	-	6,945	-	-	18,673
Total revenues	34,250	127	6,945	-	-	5,240,222
<b>EXPENDITURES</b>						
Public Safety	-	-	-	-	207,620	4,440,072
Transportation	-	-	-	-	-	185,710
Economic Development	-	-	-	-	-	691,313
Education	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Cultural and Recreational	-	-	364,108	-	-	364,108
General Government	-	1,032,597	-	-	-	1,032,597
Total expenditures	-	1,032,597	364,108	-	207,620	6,713,800
Revenues over (under) Expenditures	34,250	(1,032,470)	(357,163)	-	(207,620)	(1,473,578)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	-	-	300,000	-	1,335,000	1,640,035
Transfers to other funds	-	-	-	-	-	(50,000)
Debt issued	-	1,700,000	-	-	-	1,700,000
Total other financing sources (uses)	-	1,700,000	300,000	-	1,335,000	3,290,035
Change in Fund Balances	34,250	667,530	(57,163)	-	1,127,380	1,816,457
Fund Balance- July 1	2,219,082	1,158,177	1,143,894	750,000	-	6,760,091
Fund Balance- June 30	\$ 2,253,332	\$ 1,825,707	\$ 1,086,731	\$ 750,000	\$ 1,127,380	\$ 8,576,548

**Nash County, North Carolina**  
**Rural Operating Assistance Program**  
**Schedule of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted Intergovernmental - Grants:				
EDTAP	\$ 86,432	\$ 86,432	\$ -	\$ 86,431
Workfirst	20,964	20,964	-	-
Rural General Public Program	78,314	78,314	-	78,314
Total restricted intergovernmental - grants	<u>185,710</u>	<u>185,710</u>	<u>-</u>	<u>164,745</u>
Investment earnings	-	1,538	1,538	485
Total revenues	<u>185,710</u>	<u>187,248</u>	<u>1,538</u>	<u>165,230</u>
<b><u>EXPENDITURES</u></b>				
Transportation:				
EDTAP	107,967	107,967	-	91,432
Workfirst	-	-	-	-
Rural General Public Program	<u>77,743</u>	<u>77,743</u>	<u>-</u>	<u>73,314</u>
Total Expenditures	<u>185,710</u>	<u>185,710</u>	<u>-</u>	<u>164,746</u>
Revenues and Other Sources over (under)				
Expenditures and other uses	<u>\$ -</u>	1,538	<u>\$ 1,538</u>	484
<b>FUND BALANCE</b>				
Fund balance, beginning- July 1		<u>25,900</u>		<u>25,416</u>
Fund balance, ending - June 30		<u>\$ 27,438</u>		<u>\$ 25,900</u>

**Nash County, North Carolina**  
**Fire Districts Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Ad valorem taxes	\$ 3,197,750	\$ 3,401,947	\$ 204,197	\$ 3,276,553
Investment earnings	-	10,121	10,121	3,171
Total Revenues	<u>3,197,750</u>	<u>3,412,068</u>	<u>214,318</u>	<u>3,279,724</u>
<b><u>EXPENDITURES</u></b>				
Public safety:				
Stanhope	72,965	72,965	-	70,086
Stony Creek	10,612	10,612	-	11,197
Green Hornet	171,589	171,589	-	162,364
Harrison	179,598	179,598	-	171,012
Ferrells	204,432	204,432	-	205,924
N.S. Gulley	448,369	448,369	-	435,679
Silver Lake	9,637	9,637	-	9,713
Sims	8,037	8,037	-	7,929
Tri-County	93,474	93,474	-	96,843
Salem	190,272	190,272	-	159,420
West Mount	343,380	343,380	-	349,044
Coopers	302,151	302,151	-	288,438
Castalia	133,316	133,316	-	126,231
Spring Hope	233,092	233,092	-	229,115
Middlesex	152,441	152,441	-	145,602
Whitakers	235,850	235,850	-	194,120
Red Oak	377,915	377,915	-	370,694
Momeyer	166,495	166,495	-	153,772
Total Expenditures	<u>3,333,625</u>	<u>3,333,625</u>	<u>-</u>	<u>3,187,183</u>
Revenues over (under) expenditures	<u>(135,875)</u>	<u>78,443</u>	<u>214,318</u>	<u>92,541</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriated fund balance	135,875	-	(135,875)	-
Total Other Financing Sources (uses)	<u>135,875</u>	<u>-</u>	<u>(135,875)</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>78,443</u>	<u>\$ 78,443</u>	<u>92,541</u>
<b>FUND BALANCE</b>				
Fund balance, beginning- July 1		<u>539,162</u>		<u>446,621</u>
Fund balance, ending - June 30		<u>\$ 617,605</u>		<u>\$ 539,162</u>



**Nash County, North Carolina**  
**Emergency Telephone System Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental - Wireless E911	\$ 472,433	\$ 472,433	\$ -	\$ 435,684
Investment earnings	-	4,034	4,034	1,243
Total Revenues	<u>472,433</u>	<u>476,467</u>	<u>4,034</u>	<u>436,927</u>
<b><u>EXPENDITURES</u></b>				
Public safety:				
Telephone	119,776	114,474	5,302	125,157
Software	109,500	107,893	1,607	105,612
Hardware	104,546	104,545	1	71,689
Training	9,209	7,274	1,935	11,426
Implementation functions	92,462	76,173	16,289	69,548
Equipment	200,737	-	200,737	11,421
Total Expenditures	<u>636,230</u>	<u>410,359</u>	<u>225,871</u>	<u>394,853</u>
Revenues over (under) expenditures	<u>(163,797)</u>	<u>66,108</u>	<u>229,905</u>	<u>42,074</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds	-	35	35	-
Appropriated fund balance	163,797	-	(163,797)	-
Total Other Financing Sources (uses)	<u>163,797</u>	<u>35</u>	<u>(163,762)</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>66,143</u>	<u>\$ 66,143</u>	<u>42,074</u>
<b>FUND BALANCE</b>				
Fund balance, beginning- July 1		<u>240,742</u>		<u>198,668</u>
Fund balance, ending - June 30		<u>\$ 306,885</u>		<u>\$ 240,742</u>

**Nash County, North Carolina**  
**Controlled Substance Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Controlled substance funds	\$ 30,000	\$ 40,389	\$ 10,389	\$ 29,658
Miscellaneous income	5,000	11,728	6,728	10,400
Investment earnings	-	1,476	1,476	578
Total Revenues	<u>35,000</u>	<u>53,593</u>	<u>18,593</u>	<u>40,636</u>
<b><u>EXPENDITURES</u></b>				
Public safety	<u>92,062</u>	<u>54,563</u>	<u>37,499</u>	<u>18,872</u>
Total Expenditures	<u>92,062</u>	<u>54,563</u>	<u>37,499</u>	<u>18,872</u>
Revenues over (under) expenditures	<u>(57,062)</u>	<u>(970)</u>	<u>56,092</u>	<u>21,764</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer to other funds	(50,000)	(50,000)	-	(25,000)
Appropriated fund balance	<u>107,062</u>	<u>-</u>	<u>(107,062)</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>57,062</u>	<u>(50,000)</u>	<u>(107,062)</u>	<u>(25,000)</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>(50,970)</u>	<u>\$ (50,970)</u>	<u>(3,236)</u>
<b>FUND BALANCE</b>				
Fund balance, beginning- July 1		<u>107,158</u>		<u>110,394</u>
Fund balance, ending - June 30		<u>\$ 56,188</u>		<u>\$ 107,158</u>

**Nash County, North Carolina**  
**Federal Asset Forfeiture Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Federal asset forfeitures	\$ 65,000	\$ 229,387	\$ 164,387	\$ 173,171
Miscellaneous income	-	-	-	-
Investment earnings	-	3,310	3,310	1,320
Total Revenues	<u>65,000</u>	<u>232,697</u>	<u>167,697</u>	<u>174,491</u>
<b><u>EXPENDITURES</u></b>				
Public safety	<u>278,226</u>	<u>249,130</u>	<u>29,096</u>	<u>149,795</u>
Total Expenditures	<u>278,226</u>	<u>249,130</u>	<u>29,096</u>	<u>149,795</u>
Revenues over (under) expenditures	<u>(213,226)</u>	<u>(16,433)</u>	<u>196,793</u>	<u>24,696</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriated fund balance	<u>213,226</u>	<u>-</u>	<u>(213,226)</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>213,226</u>	<u>-</u>	<u>(213,226)</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>(16,433)</u>	<u>\$ (16,433)</u>	<u>24,696</u>
<b>FUND BALANCE</b>				
Fund balance, beginning- July 1		<u>238,250</u>		<u>213,554</u>
Fund balance, ending - June 30		<u>\$ 221,817</u>		<u>\$ 238,250</u>

**Nash County, North Carolina**  
**Stormwater Maintenance Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Stormwater maintenance fees	\$ -	\$ -	\$ -	\$ 6,000
Investment earnings	-	393	393	107
Total Revenues	-	393	393	6,107
Revenues over (under) expenditures	-	393	393	6,107
Revenues and Other Sources over (under) Expenditures and other uses	\$ -	393	\$ 393	6,107
<b>FUND BALANCE</b>				
Fund balance, beginning- July 1		25,440		19,333
Fund balance, ending - June 30		\$ 25,833		\$ 25,440

**Nash County, North Carolina**  
**Tourism Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Actual Amounts For the Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental	\$ 493,500	\$ 493,501	\$ 1	\$ 470,000
Investment earnings	-	4,582	4,582	1,454
Total Revenues	<u>493,500</u>	<u>498,083</u>	<u>4,583</u>	<u>471,454</u>
<b><u>EXPENDITURES</u></b>				
Economic and physical development:				
Salaries	67,811	67,562	249	68,069
Operating expenditures	<u>425,689</u>	<u>422,180</u>	<u>3,509</u>	<u>379,027</u>
Total Expenditures	<u>493,500</u>	<u>489,742</u>	<u>3,758</u>	<u>447,096</u>
Revenues over (under) expenditures	-	8,341	8,341	24,358
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>8,341</u>	<u>\$ 8,341</u>	<u>24,358</u>
<b>FUND BALANCE</b>				
Fund balance, beginning- July 1		<u>264,296</u>		<u>239,938</u>
Fund balance, ending - June 30		<u>\$ 272,637</u>		<u>\$ 264,296</u>

**Nash County, North Carolina**  
**Homeland Security Grant**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Public Safety:					
Homeland Security Grant	\$ 1,144,782	\$ 1,124,807	\$ 16,861	\$ 1,141,668	\$ (3,114)
Restricted Local Grants	170,000	-	167,914	167,914	(2,086)
Emergency Operations Planning Grant	29,950	29,000	-	29,000	(950)
Investment earnings	-	1,832	-	1,832	1,832
Total Revenue	<u>1,344,732</u>	<u>1,155,639</u>	<u>184,775</u>	<u>1,340,414</u>	<u>(4,318)</u>
<u>EXPENDITURES</u>					
Public Safety:					
Planning	29,950	130,269	(101,269)	29,000	950
Supplies	76,040	74,350	-	74,350	1,690
Training	107,719	49,888	49,870	99,758	7,961
Equipment	<u>1,140,485</u>	<u>901,009</u>	<u>236,174</u>	<u>1,137,183</u>	<u>3,302</u>
Total	<u>1,354,194</u>	<u>1,155,516</u>	<u>184,775</u>	<u>1,340,291</u>	<u>13,903</u>
Revenues over (under) expenditures	<u>(9,462)</u>	<u>123</u>	<u>-</u>	<u>123</u>	<u>9,585</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Appropriated fund balance	<u>9,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,462)</u>
Total Other Financing Sources (Uses)	<u>9,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,462)</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 123</u>	<u>-</u>	<u>\$ 123</u>	<u>\$ 123</u>
Fund balance, beginning			<u>123</u>		
Fund balance, ending			<u>\$ 123</u>		

**Nash County, North Carolina**  
**Single Family Rehabilitation**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Economic and physical development:					
Single Family Rehabilitation Grant 2004	\$ 1,078,098	\$ 593,502	\$ 231,388	\$ 824,890	\$ (253,208)
Total Revenue	<u>1,078,098</u>	<u>593,502</u>	<u>231,388</u>	<u>824,890</u>	<u>(253,208)</u>
<u>EXPENDITURES</u>					
Economic and physical development:					
Single Family Rehabilitation Grant 2004	203,098	593,502	129,036	722,538	(519,440)
Administrative costs	160,000	-	29,228	29,228	130,772
Construction	<u>715,000</u>	<u>-</u>	<u>73,124</u>	<u>73,124</u>	<u>641,876</u>
Total	<u>1,078,098</u>	<u>593,502</u>	<u>231,388</u>	<u>824,890</u>	<u>253,208</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		

**Nash County, North Carolina**  
**Urgent Repair Program**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Economic and physical development:					
Urgent Repair Grant 2010	\$ -	\$ 114,364	\$ -	\$ 114,364	\$ 114,364
Urgent Repair Grant 2012	-	149,950	-	149,950	149,950
Urgent Repair Grant 2014	100,000	99,427	-	99,427	(573)
Urgent Repair Grant 2016	100,000	100,000	-	100,000	-
Urgent Repair Grant 2017	75,000		71,754	71,754	(3,246)
Investment earnings	401	203	434	637	236
Total Revenue	<u>275,401</u>	<u>463,944</u>	<u>72,188</u>	<u>536,132</u>	<u>260,731</u>
<u>EXPENDITURES</u>					
Economic and physical development:					
Urgent Repair Grant 2010	-	114,364	-	114,364	(114,364)
Urgent Repair Grant 2012	-	149,953	-	149,953	(149,953)
Urgent Repair Project 2014	100,025	99,464	-	99,464	561
Urgent Repair Project 2016	100,376	54,796	45,580	100,376	-
Urgent Repair Project 2017	75,000	-	71,975	71,975	3,025
Total	<u>275,401</u>	<u>418,577</u>	<u>117,555</u>	<u>536,132</u>	<u>(260,731)</u>
Revenues over (under) expenditures	<u>-</u>	<u>45,367</u>	<u>(45,367)</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 45,367</u>	<u>(45,367)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>45,367</u>		
Fund balance, ending			<u>\$ -</u>		



**Nash County, North Carolina**  
**Abandoned Manufactured Homes Grant**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Community Development Grants:					
Abandoned Manufactured Homes Grant	\$ 40,700	\$ 17,350	\$ -	\$ 17,350	\$ (23,350)
Total Revenue	<u>40,700</u>	<u>17,350</u>	<u>-</u>	<u>17,350</u>	<u>(23,350)</u>
<u>EXPENDITURES</u>					
Economic and physical development:					
Community Development Grants:					
Abandoned structures	40,700	14,850	2,500	17,350	23,350
Total	<u>40,700</u>	<u>14,850</u>	<u>2,500</u>	<u>17,350</u>	<u>23,350</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 2,500</u>	(2,500)	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>2,500</u>		
Fund balance, ending			<u>\$ -</u>		

**Nash County, North Carolina**  
**CDBG Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Community Development Grants:					
Nutkao	\$ 750,000	\$ 750,000	\$ (150,000)	\$ 600,000	\$ (150,000)
Neighborhood revitalization grant	750,000	-	-	-	(750,000)
Disaster recovery grant	1,000,000	-	-	-	(1,000,000)
Total Revenue	<u>2,500,000</u>	<u>750,000</u>	<u>(150,000)</u>	<u>600,000</u>	<u>(1,900,000)</u>
<b><u>EXPENDITURES</u></b>					
Economic and physical development:					
Community Development Grants:					
Nutkao	750,000	750,000	(150,000)	600,000	150,000
Neighborhood revitalization	755,000	-	-	-	755,000
Disaster recovery	1,000,000	-	128	128	999,872
Total	<u>2,505,000</u>	<u>750,000</u>	<u>(149,872)</u>	<u>600,128</u>	<u>1,904,872</u>
Revenues over (under) expenditures	<u>(5,000)</u>	<u>-</u>	<u>(128)</u>	<u>(128)</u>	<u>4,872</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer from other funds	5,000	-	5,000	5,000	-
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	4,872	<u>\$ 4,872</u>	<u>\$ 4,872</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 4,872</u>		

**Nash County, North Carolina**  
**Capital Reserve Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**  
**With Comparative Amounts For The Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Investment earnings	\$ -	\$ 34,250	\$ 34,250	\$ 11,126
Revenues over (under) expenditures	-	34,250	34,250	11,126
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds	-	-	-	137,808
Total Other Financing Sources (uses)	-	-	-	137,808
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>34,250</u>	<u>\$ 34,250</u>	148,934
Fund balance, beginning -July 1		<u>2,219,082</u>		<u>2,070,148</u>
Fund balance, ending- June 30		<u>\$ 2,253,332</u>		<u>\$ 2,219,082</u>

**Nash County, North Carolina  
Middlesex Industrial Park  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
DOT Reimbursement	\$ 1,100,000	\$ 1,100,000	\$ -	\$ 1,100,000	\$ -
Town of Middlesex - Water Improvements	\$ 10,235	\$ 10,235	-	10,235	-
Rural Hope Grant	32,000	32,000	-	32,000	-
Investment earnings	-	1,532	127	1,659	1,659
Total Revenue	<u>1,142,235</u>	<u>1,143,767</u>	<u>127</u>	<u>1,143,894</u>	<u>1,659</u>
<b><u>EXPENDITURES</u></b>					
Economic Development					
Road Project	1,195,175	1,194,785	-	1,194,785	390
Water Improvements	13,907	14,000	-	14,000	(93)
Park Improvements	645,635	90,088	1,545	91,633	554,002
Shell Building Project	1,700,000	22,532	1,031,052	1,053,584	646,416
Total	<u>3,554,717</u>	<u>1,321,405</u>	<u>1,032,597</u>	<u>2,354,002</u>	<u>1,200,715</u>
Revenues over (under) expenditures	<u>(2,412,482)</u>	<u>(177,638)</u>	<u>(1,032,470)</u>	<u>(1,210,108)</u>	<u>1,202,374</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer from other funds - Road Project	95,175	223,715	-	223,715	128,540
Transfer from other funds - Water Project	5,207	-	-	-	(5,207)
Transfer from other funds - Park Improvement:	612,100	612,100	-	612,100	-
Transfer from other funds - Shell Building	-	500,000	-	500,000	500,000
Debt issue - Shell Building	1,700,000	-	1,700,000	1,700,000	-
Total Other Financing Sources (Uses)	<u>2,412,482</u>	<u>1,335,815</u>	<u>1,700,000</u>	<u>3,035,815</u>	<u>623,333</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 1,158,177</u>	667,530	<u>\$ 1,825,707</u>	<u>\$ 1,825,707</u>
Fund balance, beginning			<u>1,158,177</u>		
Fund balance, ending			<u>\$ 1,825,707</u>		

**Nash County, North Carolina**  
**Senior Center/Miracle Park Capital Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Senior Center Project					
Miscellaneous revenue	\$ -	\$ -	\$ 6,945	\$ 6,945	\$ 6,945
Total Senior Center Project revenues	-	-	6,945	6,945	6,945
Miracle Park Project					
PARTF Grant	500,000	-	-	-	(500,000)
DNCR Park Grant	125,000	-	-	-	(125,000)
Trillium Health Resource Grant	750,000	-	-	-	(750,000)
Total Miracle Park Project revenues	1,375,000	-	-	-	(1,375,000)
Total revenues	1,375,000	-	6,945	6,945	(1,368,055)
<b>EXPENDITURES</b>					
Cultural and Recreational:					
Senior Center Project					
Construction	975,700	-	261,686	261,686	714,014
Legal and professional services	15,600	1,815	3,353	5,168	10,432
Engineering, survey, and design	62,100	5,100	34,098	39,198	22,902
Office Equipment	100,875	-	-	-	100,875
Contingency	45,725	-	-	-	45,725
Total Senior Center Project expenditures	1,200,000	6,915	299,137	306,052	893,948
Miracle Park Project					
Construction	957,000	-	16,745	16,745	940,255
Property acquisition	210,000	209,835	-	209,835	165
Legal and professional services	25,500	10,338	1,080	11,418	14,082
Engineering, survey, and design	657,500	29,018	47,146	76,164	581,336
Contingency	25,000	-	-	-	25,000
Total Miracle Park Project expenditures	1,875,000	249,191	64,971	314,162	1,560,838
Total expenditures	3,075,000	256,106	364,108	620,214	2,454,786
Revenues over (under) expenditures	(1,700,000)	(256,106)	(357,163)	(613,269)	1,086,731
<b>OTHER FINANCING SOURCES (USES)</b>					
Senior Center Project					
Transfers from other funds	1,200,000	900,000	300,000	1,200,000	-
Miracle Park Project					
Transfers from other funds	500,000	500,000	-	500,000	-
Total Other Financing Sources (Uses)	1,700,000	1,400,000	300,000	1,700,000	-
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 1,143,894	(57,163)	\$ 1,086,731	\$ 1,086,731
Fund balance, beginning			1,143,894		
Fund balance, ending			\$ 1,086,731		

**Nash County, North Carolina**  
**School Capital Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer from other funds	\$ -	\$ 750,000	\$ -	\$ 750,000	\$ 750,000
Transfer to other funds	-	-	-	-	-
Debt issued	-	-	-	-	-
Appropriated fund balance	-	-	-	-	-
Total Other Financing Sources (Uses)	-	750,000	-	750,000	750,000
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 750,000	-	\$ 750,000	\$ 750,000
Fund balance, beginning			750,000		
Fund balance, ending			\$ 750,000		

**Nash County, North Carolina**  
**Public Safety Radio Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive Negative
<b>REVENUES</b>					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	-	-	-	-	-
<b>EXPENDITURES</b>					
Public Safety:					
Construction	1,335,000	-	207,500	207,500	1,127,500
Legal and professional services		-	120	120	(120)
Total	1,335,000	-	207,620	207,620	1,127,380
Revenues over (under) expenditures	(1,335,000)	-	(207,620)	(207,620)	1,127,380
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	1,335,000	-	1,335,000	1,335,000	-
Total Other Financing Sources (Uses)	1,335,000	-	1,335,000	1,335,000	-
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ -	1,127,380	\$ 1,127,380	\$ 1,127,380
Fund balance, beginning			-		
Fund balance, ending			\$ 1,127,380		

## ENTERPRISE FUNDS

---

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; where the government's council has decided that the periodic determination of net income is appropriated for accountability purposes.

---



**Nash County, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2018**  
**With Comparative Amounts For The Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Operating Revenues:				
Changes for service	\$ 2,269,800	\$ 2,321,141	\$ 51,341	\$ 2,112,438
Total operating revenues	2,269,800	2,321,141	51,341	2,112,438
Non-Operating Revenues:				
Capital contributions	81,270	67,716	(13,554)	86,405
Interest on investments	1,750	16,066	14,316	3,720
Total non-operating revenues	83,020	83,782	762	90,125
Total Revenues	2,352,820	2,404,923	52,103	2,202,563
<b>EXPENDITURES</b>				
Operating Expenditures:				
Water Operations:				
Salaries and employee benefits	417,593	349,215	68,378	375,575
Professional services	68,340	64,656	3,684	59,292
Operating expenses	729,774	717,905	11,869	635,086
Repairs and maintenance	3,200	3,181	19	2,387
Capital outlay	75,709	-	75,709	26,235
Total	1,294,616	1,134,957	159,659	1,098,575
Sewer Operations:				
Salaries and employee benefits	33,159	30,511	2,648	30,765
Professional services	7,500	7,185	315	5,917
Operating expenses	517,964	497,105	20,859	372,548
Total	558,623	534,801	23,822	409,230
Total Operating Expenditures	1,853,239	1,669,758	183,481	1,507,805
Non-Operating Expenditures:				
Debt principal payment	131,100	-	131,100	305,500
Debt interest payment	43,146	43,109	37	53,051
Total Non-Operating Expenditures	174,246	43,109	131,137	358,551
Total Expenditures	2,027,485	1,712,867	314,618	1,866,356
Revenues over (under) expenditures	325,335	692,056	366,721	336,207
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	290,829
Transfers to other funds	(633,495)	(633,495)	-	(338,750)
Appropriated fund balance	308,160	-	(308,160)	-
Total other financing sources (uses)	(325,335)	(633,495)	-	(47,921)
Revenues over (under) sources and other uses	-	58,561	366,721	288,286

**Nash County, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2018**  
**With Comparative Amounts For The Year Ended June 30, 2017**

RECONCILIATION FROM BUDGETARY BASIS ( MODIFIED ACCRUAL ) TO FULL ACCRUAL

Excess of revenues over (under) expenditures	58,561
Reconciling items:	
Capital Outlay	-
Depreciation	(440,923)
(Increase) decrease in accrued interest	883
Principal retirement	-
Increase (decrease) in deferred outflows of resources - pensions	(16,445)
Increase (decrease) in deferred outflows of resources - OPEB	11,884
(Increase) Decrease in deferred inflows of resources - pensions	(212)
(Increase) Decrease in deferred inflows of resources - OPEB	(54,074)
(Increase) decrease in net pension liability	1,529
(Increase) decrease in OPEB liability	32,440
(Increase) decrease in accrued compensated absences	8,625
Interfund transfers (Exh D-1b)	175,900
Change in net position	<u>\$ (221,832)</u>

**Nash County, North Carolina**  
**Rural Center Grants Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Rural Center Grant	120,000	\$ 120,000	\$ -	\$ 120,000	\$ -
Investment earnings	-	35	-	35	35
Total Revenues	120,000	120,035	-	120,035	35
<b><u>EXPENDITURES</u></b>					
Feasibility study and drought plan	257,900	257,779	-	257,779	121
Total Expenditures	257,900	257,779	-	257,779	121
Revenues over (under) expenditures	(137,900)	(137,744)	-	(137,744)	156
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer From Other Funds	137,900	137,900	-	137,900	-
Total Other Financing Sources (Uses)	137,900	137,900	-	137,900	-
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 156	\$ -	\$ 156	\$ 156

**Nash County, North Carolina**  
**NNWS Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Operating Revenues:					
State Revolving Fund Grant	\$ 3,000,000	\$ -	\$ -	\$ -	\$ (3,000,000)
Total Revenues	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,000,000)</u>
<b><u>EXPENDITURES</u></b>					
Operating Expenditures:					
Administration	985,233	-	265,253	265,253	719,980
Engineering and Construction	7,972,507	-	-	-	7,972,507
Contingency	763,160	-	-	-	763,160
Total Operating Expenditures	<u>9,720,900</u>	<u>-</u>	<u>265,253</u>	<u>265,253</u>	<u>9,455,647</u>
Revenues over (under) expenditures	<u>(6,720,900)</u>	<u>-</u>	<u>(265,253)</u>	<u>(265,253)</u>	<u>6,455,647</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer From Other Funds	175,900	-	175,900	175,900	-
Debt Issued	6,545,000	-	-	-	(6,545,000)
Total Other Financing Sources (Uses)	<u>6,720,900</u>	<u>-</u>	<u>175,900</u>	<u>175,900</u>	<u>(6,545,000)</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89,353)</u>	<u>\$ (89,353)</u>	<u>\$ (89,353)</u>

**Nash County, North Carolina**  
**Solid Waste Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2018**  
**With Comparative Amounts For The Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Operating Revenues:				
Solid waste charges	446,000	507,843	\$ 61,843	\$ 467,137
Scrap tire disposal tax	126,000	126,114	114	126,349
Miscellaneous	58,000	31,671	(26,329)	55,813
Rural household fees	2,223,125	2,253,285	30,160	2,218,022
Recycling fees	-	1,586	1,586	1,111
Recycling Grant	0	6,849	6,849	2,215
Total Operating Revenues	<u>2,853,125</u>	<u>2,927,348</u>	<u>74,223</u>	<u>2,870,647</u>
Non-Operating Revenues:				
Interest on investments	<u>18,000</u>	<u>100,240</u>	<u>82,240</u>	<u>33,077</u>
Total Non-Operating Revenues	<u>18,000</u>	<u>100,240</u>	<u>82,240</u>	<u>33,077</u>
Total Revenues	<u>2,871,125</u>	<u>3,027,588</u>	<u>156,463</u>	<u>2,903,724</u>
<b><u>EXPENDITURES</u></b>				
Operating Expenditures:				
Salaries and employee benefits	613,127	590,253	22,874	553,886
Professional services	43,432	37,537	5,895	32,975
Operating expenses	1,925,226	1,751,855	173,371	1,737,764
Repairs and maintenance	261,861	124,522	137,339	196,276
Capital outlay	<u>44,200</u>	<u>-</u>	<u>44,200</u>	<u>-</u>
Total Operating Expenditures	<u>2,887,846</u>	<u>2,504,167</u>	<u>383,679</u>	<u>2,520,901</u>
Revenues over (under) expenditures	<u>(16,721)</u>	<u>523,421</u>	<u>540,142</u>	<u>382,823</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer to other funds	(268,000)	(268,000)	-	(400,000)
Appropriated fund balance	284,721	-	(284,721)	-
Insurance proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,882</u>
Total other financing sources (uses)	<u>16,721</u>	<u>(268,000)</u>	<u>(284,721)</u>	<u>(398,118)</u>
Revenues over (under) sources and other uses	<u>-</u>	<u>255,421</u>	<u>255,421</u>	<u>(15,295)</u>

**Nash County, North Carolina**  
**Solid Waste Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2018**  
**With Comparative Amounts For The Year Ended June 30, 2017**

RECONCILIATION FROM BUDGETARY BASIS ( MODIFIED ACCRUAL ) TO FULL ACCRUAL BASIS:

Excess of revenues over (under) expenditures	255,421
Reconciling items:	
Depreciation	(114,410)
Increase (decrease) in deferred outflows of resources - pensions	(67,737)
Increase (decrease) in deferred outflows of resources - OPEB	21,287
(Increase) Decrease in deferred inflows of resources - pensions	2,825
(Increase) Decrease in deferred inflows of resources - OPEB	(96,858)
(Increase) decrease in net pension liability	74,484
(Increase) decrease in OPEB liability	58,106
(Increase) decrease in accrued compensated absences	(1,930)
(Increase) decrease in landfill post-closure liability	(25,823)
Relocation Expense (included in Exh D-2a expenditures)	(55,000)
Transfer to capital project fund (Exh D-2a)	268,000
Change in net position	<u>\$ 318,365</u>

**Nash County, North Carolina**  
**Solid Waste C&D Expansion**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>EXPENDITURES</u>					
Solid Waste C&D:					
Administration	111,000	25,575	76,865	102,440	8,560
Engineering and Construction	530,610	1,667	392,290	393,957	136,653
Contingency	26,390	-	-	-	26,390
Total Operating Expenditures	668,000	27,242	469,155	496,397	171,603
Total Expenditures	668,000	27,242	469,155	496,397	171,603
Revenues over (under) expenditures	(668,000)	(27,242)	(469,155)	(496,397)	171,603
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer From Other Funds	668,000	400,000	268,000	668,000	-
Debt Issued	-	-	-	-	-
Total Other Financing Sources (Uses)	668,000	400,000	268,000	668,000	-
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 372,758	\$ (201,155)	\$ 171,603	\$ 171,603

**Nash County, North Carolina**  
**Central Nash Water and Sewer District**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>					
Operating Revenues:					
Tap Fees	\$ 366,062	\$ 366,062	\$ -	\$ 366,062	\$ -
Miscellaneous collections	53,159	53,162	-	53,162	3
Total Operating Revenues	419,221	419,224	-	419,224	3
Non-Operating Revenues:					
Capital Contributions - Grants	5,958,912	5,958,914	-	5,958,914	2
Interest in Investments	60,723	74,926	-	74,926	14,203
Total Non-Operating Revenues	6,019,635	6,033,840	-	6,033,840	14,205
Total Revenues	6,438,856	6,453,064	-	6,453,064	14,208
<b><u>EXPENDITURES</u></b>					
Operating Expenditures:					
Water Project Startup					
Administration	-	7,500	-	7,500	(7,500)
Engineering and Construction	-	108,533	-	108,533	(108,533)
Total	-	116,033	-	116,033	(116,033)
Highway 97 Project:					
Administration	16,250	16,250	-	16,250	-
Engineering and Construction	901,651	887,630	-	887,630	14,021
Total	917,901	903,880	-	903,880	14,021
Capital Items:					
Phase I	3,541,261	3,465,523	-	3,465,523	75,738
Phase II	3,315,991	3,238,461	-	3,238,461	77,530
Phase III	4,222,175	4,219,164	-	4,219,164	3,011
Phase IV	7,152,733	7,038,193	-	7,038,193	114,540
Total	18,232,160	17,961,341	-	17,961,341	270,819
Total Operating Expenditures	19,150,061	18,981,254	-	18,981,254	168,807
Non-Operating Expenditures:					
Debt Principal Payment	898,000	5,350,000	193,000	5,543,000	(4,645,000)
Debt Interest Payment	3,113,973	2,774,804	440,495	3,215,299	(101,326)
Total Non-Operating Expenditures	4,011,973	8,124,804	633,495	8,758,299	(4,746,326)
Total Expenditures	23,162,034	27,106,058	633,495	27,739,553	(4,577,519)
Revenues over (under) expenditures	(16,723,178)	(20,652,994)	(633,495)	(21,286,489)	(4,563,311)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfer From Other Funds	3,914,178	3,254,403	633,495	3,887,898	(26,280)
Debt Issued	12,809,000	17,575,000	-	17,575,000	4,766,000
Total Other Financing Sources (Uses)	16,723,178	20,829,403	633,495	21,462,898	4,739,720
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 176,409	\$ -	\$ 176,409	\$ 176,409



**Nash County, North Carolina**  
**Central Nash Water and Sewer District**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

---

RECONCILIATION FROM BUDGETARY BASIS ( MODIFIED ACCRUAL ) TO FULL ACCRUAL BASIS:

Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -
Reconciling Items:	
Capital assets purchased	-
Depreciation	(466,928)
(Increase) decrease in accrued interest	569
Principal payment	<u>193,000</u>
Change in net position	<u>\$ (273,359)</u>

## INTERNAL SERVICE FUNDS

---

Internal Service funds are used to account for the cost of the County's healthcare and workers' compensation. The following funds are Internal Service funds.

---

- **Employee Healthcare Fund**
- **Workers' Compensation Fund**

**Nash County, North Carolina**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2018**

	Employee Healthcare Benefits	Workers' Compensation Fund	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 624,017	\$ 1,299,942	\$ 1,923,959
Accounts receivable	-	-	-
Total assets	<u>624,017</u>	<u>1,299,942</u>	<u>1,923,959</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable and accrued liabilities	<u>152,380</u>	<u>610,519</u>	<u>762,899</u>
<b>Net Position</b>			
Unrestricted	<u>\$ 471,637</u>	<u>\$ 689,423</u>	<u>\$ 1,161,060</u>

**Nash County, North Carolina**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For Year Ended June 30, 2018**

	Employee Healthcare Benefits	Workers' Compensation Fund	Total
<b>OPERATING REVENUES</b>			
Contributions from employer	\$ 1,288,200	\$ 154,079	\$ 1,442,279
<b>OPERATING EXPENDITURES</b>			
Claims costs	1,209,249	301,664	1,510,913
Wellness Program costs	73,936	-	73,936
Total operating expenditures	1,283,185	301,664	1,584,849
Operating Income (Loss)	5,015	(147,585)	(142,570)
<b>Non-Operating Revenues</b>			
Investment earnings	9,118	18,309	27,427
Income before transfers	14,133	(129,276)	(115,143)
<b>Net Position</b>			
Beginning of year - July 1	457,504	818,699	1,276,203
End of year - June 30	\$ 471,637	\$ 689,423	\$ 1,161,060

**Nash County, North Carolina**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For Year Ended June 30, 2018**

	Employee Healthcare Benefits	Workers' Compensation Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from employer	\$ 1,299,372	\$ 154,079	\$ 1,453,451
Cash paid for goods and services	(1,288,730)	(251,801)	(1,540,531)
Net cash provided (used) by operating activities	10,642	(97,722)	(87,080)
<b>Cash Flows from Investing Activities</b>			
Investment earnings	9,118	18,309	27,427
Net increase (decrease) in cash and cash equivalents	19,760	(79,413)	(59,653)
Cash and cash equivalents - July 1	604,257	1,379,355	1,983,612
Cash and cash equivalents - June 30	\$ 624,017	\$ 1,299,942	\$ 1,923,959
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating income (loss)	\$ 5,015	\$ (147,585)	\$ (142,570)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	11,172	-	11,172
Increase (decrease) in accounts payable and accrued liabilities	(5,545)	49,863	44,318
Net cash provided (used) by operating activities	\$ 10,642	\$ (97,722)	\$ (87,080)

**Nash County, North Carolina**  
**Employee Healthcare Benefits**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Contributions from employer	\$ 5,174,168	\$ 1,288,200	\$(3,885,968)
<b>OPERATING EXPENDITURES</b>			
Claims costs	5,071,718	1,209,249	3,862,469
Wellness Program costs	104,200	73,936	30,264
Total operating expenditures	5,175,918	1,283,185	3,892,733
Operating Income (Loss)	(1,750)	5,015	6,765
<b>Non-Operating Revenues</b>			
Investment earnings	1,750	9,118	7,368
<b>Other Financing Sources (Uses)</b>			
Appropriated fund balance	-	-	-
Changes in net position	\$ -	\$ 14,133	\$ 14,133

**Nash County, North Carolina**  
**Workers' Compensation Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Contributions from employer	\$ 200,000	\$ 154,079	\$ (45,921)
<b>OPERATING EXPENDITURES</b>			
Workers' compensation claims	465,000	301,664	163,336
Operating Income (Loss)	(265,000)	(147,585)	117,415
<b>Non-Operating Revenues</b>			
Investment earnings	5,000	18,309	13,309
<b>Other Financing Sources (Uses)</b>			
Appropriated fund balance	260,000	-	(260,000)
Changes in net position	\$ -	\$ (129,276)	\$ (129,276)

## AGENCY FUND

---

Agency funds are used to account for assets held by the County as an agent for individuals and local governments.

---



**Nash County, North Carolina**  
**Agency Fund**  
**Combining Statement of Net Position**  
**June 30, 2018**

	<b>Agency Fund</b>					<b>Total</b>
	<b>Social Service Fund</b>	<b>Jail Inmate Fund</b>	<b>Property Tax Fund</b>	<b>Fines &amp; Forfeitures Fund</b>	<b>Rental Vehicle Tax Fund</b>	<b>June 30, 2018</b>
<b>ASSETS</b>						
Cash	\$ 23,034	\$ 34,621	\$ 3,587	\$ -	\$ -	\$ 61,242
Accounts receivable	-	-	335,876	-	-	335,876
<b>Total Assets</b>	<b>\$ 23,034</b>	<b>\$ 34,621</b>	<b>\$ 339,463</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 397,118</b>
<b>LIABILITIES AND NET POSITION</b>						
Liabilities:						
Miscellaneous liabilities	\$ 23,034	\$ 34,621	\$ 339,463	\$ -	\$ -	\$ 397,118
<b>Total Liabilities</b>	<b>23,034</b>	<b>34,621</b>	<b>339,463</b>	<b>-</b>	<b>-</b>	<b>397,118</b>
<b>Net Position</b>						
Assets held in trust for beneficiary benefits	-	-	-	-	-	-
<b>Total Liabilities and Fund Balances</b>	<b>\$ 23,034</b>	<b>\$ 34,621</b>	<b>\$ 339,463</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 397,118</b>

**Nash County, North Carolina**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u><b>Social Service Agency Fund</b></u>				
Assets				
Cash and cash equivalents	\$ 25,319	\$ 212,111	\$ 214,396	\$ 23,034
Liabilities				
Accounts Payable	\$ 25,319	\$ 323,922	\$ 326,207	\$ 23,034
<u><b>Jail Inmate Fund</b></u>				
Assets				
Cash and cash equivalents	\$ 29,527	\$ 296,962	\$ 291,868	\$ 34,621
Liabilities				
Miscellaneous Liabilities	\$ 29,527	\$ 296,962	\$ 291,868	\$ 34,621
<u><b>Property Tax Agency Fund</b></u>				
Assets				
Cash and cash equivalents	\$ 5,325	\$ 3,955,829	\$ 3,957,567	\$ 3,587
Receivables	290,880	990,451	945,455	335,876
Total Assets	\$ 296,205	\$ 4,946,280	\$ 4,903,022	\$ 339,463
Liabilities				
Intergovernmental payable	\$ 296,205	\$ 8,682,121	\$ 8,638,863	\$ 339,463
<u><b>Fines and Forfeitures Fund</b></u>				
Assets				
Cash and cash equivalents	\$ -	\$ 477,635	\$ 477,635	\$ -
Liabilities				
Intergovernmental payable	\$ -	\$ 477,635	\$ 477,635	\$ -
<u><b>Rental Vehicle Taxes Fund</b></u>				
Assets				
Cash and cash equivalents	\$ -	\$ 85,108	\$ 85,108	\$ -
Liabilities				
Miscellaneous Liabilities	\$ -	\$ 85,108	\$ 85,108	\$ -
<u><b>Total- All Agency Funds</b></u>				
Assets				
Cash and cash equivalents	\$ 60,171	\$ 5,027,645	\$ 5,026,574	\$ 61,242
Accounts Receivable	290,880	990,451	945,455	335,876
Total Assets	\$ 351,051	\$ 6,018,096	\$ 5,972,029	\$ 397,118
Liabilities				
Accounts payable	\$ 54,846	\$ 705,992	\$ 618,075	\$ 57,655
Intergovernmental Payable	296,205	9,159,756	9,116,498	339,463
Total Liabilities	\$ 351,051	\$ 9,865,748	\$ 9,734,573	\$ 397,118

## OTHER SCHEDULES

---

This schedule contains additional information required on property taxes

---

- Schedule of Ad Valorem Taxes Receivables
- Analysis of Current Tax Levy- County- Wide Levy

**Nash County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2018**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2016</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2017</u>
2017-2018	\$ -	\$ 49,661,074	\$ 49,032,356	\$ 628,718
2016-2017	719,988	-	295,611	424,377
2015-2016	477,681	-	129,684	347,997
2014-2015	328,110	-	69,970	258,140
2013-2014	355,896	-	42,712	313,184
2012-2013	466,000	-	59,960	406,040
2011-2012	381,595	-	35,276	346,319
2010-2011	307,738	-	22,480	285,258
2009-2010	268,502	-	19,361	249,141
2008-2009	287,506	-	10,741	276,765
2007-2008	296,498	-	296,498	-
<b>Totals</b>	<b>\$ <u>3,889,514</u></b>	<b>\$ <u>49,661,074</u></b>	<b>\$ <u>50,014,649</u></b>	<b>\$ <u>3,535,939</u></b>
Less Allowance for Doubtful Accounts				<u>(1,422,673)</u>
Taxes Receivable (Net)				<u>\$ 2,113,266</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund			\$ 49,722,444	
Penalties and interest			<u>259,464</u>	
Total ad valorem taxes, penalties and interest - General Fund				\$ 49,981,908
Interest collected				(319,896)
Adjustments to prior year taxes				56,163
Taxes written off				296,498
Miscellaneous				(24)
Total reconciling items				<u>32,741</u>
Total collections and credits				<u>\$ 50,014,649</u>

**Nash County  
Analysis of Current Tax Levy  
County-Wide Levy  
June 30, 2018**

	County Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
<b>Original Levy:</b>					
Property taxed at current years rate	\$ 6,536,182,090	0.67	\$ 43,792,420	\$ 43,792,420	\$ -
Motor Vehicles	917,626,418	0.67	6,148,097	-	6,148,097
Dogs	-		14,591	14,591	-
Total	<u>7,453,808,508</u>		<u>49,955,108</u>	<u>43,807,011</u>	<u>6,148,097</u>
<b>Discoveries:</b>					
Current year taxes	3,255,075	0.67	<u>21,809</u>	<u>21,809</u>	<u>-</u>
<b>Releases:</b>	(47,140,746)	0.67	<u>(315,843)</u>	<u>(315,843)</u>	
 Total Property Valuation	 <u>\$ 7,409,922,837</u>				
Net Levy			49,661,074	43,512,977	6,148,097
Uncollected taxes June 30, 2017			<u>628,718</u>	<u>628,718</u>	<u>-</u>
Current years taxes collected			<u>\$ 49,032,356</u>	<u>\$ 42,884,259</u>	<u>\$ 6,148,097</u>
Current levy collection percentage			<u>98.73%</u>	<u>98.56%</u>	<u>100.00%</u>
Prior year collection percentage			<u>98.57%</u>	<u>98.37%</u>	<u>100.00%</u>

## Statistical Section

## Statistical Section

The Statistical Section includes unaudited schedules showing relevant information on Nash County presented in the following five categories:

### ***Financial Trends - Tables 1 - 4***

These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### ***Revenue Capacity - Tables 5 - 9***

These tables contain information to help the reader assess the government's most significant local revenue source - the property tax.

### ***Debt Capacity - Tables 10 - 13***

These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### ***Demographic and Economic Information - Tables 14 - 15***

These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### ***Operating Information - Tables 16 - 18***

These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Table 1

## NASH COUNTY, NORTH CAROLINA

**Net Position by Component**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 36,778	\$ 38,100	\$ 26,720	\$ 10,065	\$ 8,212	\$ 6,576	\$ 250	\$ 2,028	\$ 2,288	\$ 43,546
Restricted	647	705	6,698	11,161	8,199	11,478	9,662	9,597	20,093	11,546
Unrestricted	26,646	27,497	18,170	16,346	21,635	21,345	24,959	22,372	13,907	(59,691)
Total Governmental activities net position	<u>\$ 64,071</u>	<u>\$ 66,302</u>	<u>\$ 51,588</u>	<u>\$ 37,572</u>	<u>\$ 38,046</u>	<u>\$ 39,399</u>	<u>\$ 34,871</u>	<u>\$ 33,997</u>	<u>\$ 36,288</u>	<u>\$ (4,599)</u>
Business-type activities										
Net investment in capital assets	\$ 12,052	\$ 15,355	\$ 16,852	\$ 14,599	\$ 15,616	\$ 16,973	\$ 17,472	\$ 19,925	\$ 20,343	\$ 20,406
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,469	4,663	2,483	5,241	2,488	1,588	1,732	2,647	2,851	1,507
Total business-type activities net position	<u>\$ 18,521</u>	<u>\$ 20,018</u>	<u>\$ 19,335</u>	<u>\$ 19,840</u>	<u>\$ 18,104</u>	<u>\$ 18,561</u>	<u>\$ 19,204</u>	<u>\$ 22,572</u>	<u>\$ 23,194</u>	<u>\$ 21,913</u>
Primary government										
Net investment in capital assets	\$ 48,830	\$ 53,455	\$ 43,572	\$ 24,664	\$ 23,828	\$ 23,549	\$ 17,722	\$ 21,953	\$ 22,631	\$ 63,952
Restricted	647	705	6,698	11,161	8,199	11,478	9,662	9,597	20,093	11,546
Unrestricted	33,115	32,160	20,653	21,587	24,123	22,933	26,691	25,019	16,758	(58,184)
Total primary government net position	<u>\$ 82,592</u>	<u>\$ 86,320</u>	<u>\$ 70,923</u>	<u>\$ 57,412</u>	<u>\$ 56,150</u>	<u>\$ 57,960</u>	<u>\$ 54,075</u>	<u>\$ 56,569</u>	<u>\$ 59,482</u>	<u>\$ 17,314</u>

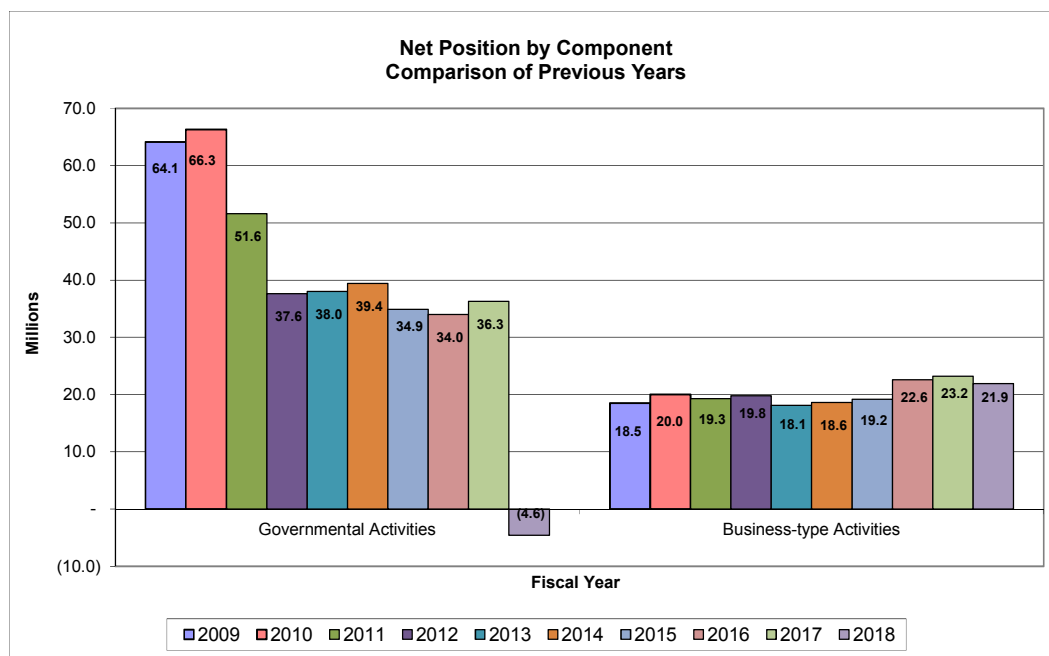




Table 2

## NASH COUNTY, NORTH CAROLINA

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 18,240	\$ 9,249	\$ 10,626	\$ 10,641	\$ 9,106	\$ 9,411	\$ 8,971	\$ 11,128	\$ 10,643	\$ 10,876
Public safety	21,374	22,426	22,185	23,518	24,181	24,142	23,903	26,065	26,152	27,342
Transportation	356	411	408	409	338	322	300	329	308	326
Economic and physical development	2,889	2,936	3,513	2,825	3,849	3,265	1,533	2,563	3,358	2,283
Human services	28,933	27,004	25,781	26,593	26,211	26,866	25,982	26,151	27,150	24,078
Cultural	1,669	1,583	1,704	1,614	1,602	1,682	1,605	1,684	1,725	1,783
Education	23,720	26,042	51,507	38,579	25,383	26,031	30,548	24,706	24,514	24,164
Interest on long-term debt	829	708	2,012	1,904	1,858	2,424	1,991	1,626	1,901	1,408
Total governmental activities expenses	<u>98,010</u>	<u>90,359</u>	<u>117,736</u>	<u>106,083</u>	<u>92,528</u>	<u>94,143</u>	<u>94,833</u>	<u>94,252</u>	<u>95,751</u>	<u>92,260</u>
Business-type activities:										
Water and sewer	1,538	1,988	2,179	1,965	2,099	2,292	2,684	2,018	2,599	3,076
Solid waste disposal	2,944	2,336	3,023	2,368	3,944	2,058	2,065	2,608	2,643	2,709
Convenience centers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>4,482</u>	<u>4,324</u>	<u>5,202</u>	<u>4,333</u>	<u>6,043</u>	<u>4,350</u>	<u>4,749</u>	<u>4,626</u>	<u>5,242</u>	<u>5,785</u>
Total primary governmental expenses	<u>102,492</u>	<u>94,683</u>	<u>122,938</u>	<u>110,416</u>	<u>98,571</u>	<u>98,493</u>	<u>99,582</u>	<u>98,878</u>	<u>100,993</u>	<u>98,045</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,916	\$ 3,097	\$ 3,116	\$ 2,445	\$ 3,782	\$ 2,832	\$ 1,967	\$ 2,005	\$ 1,949	\$ 2,097
Public safety	4,368	4,525	4,009	3,575	3,798	3,382	4,433	4,671	4,889	4,814
Economic & physical development	15	-	-	-	-	-	-	-	-	148
Human services	541	570	614	1,511	1,048	720	515	551	280	214
Operating grants and contributions	21,432	22,778	34,239	22,819	22,406	24,480	22,868	21,578	20,374	17,256
Capital grants and contributions	5,607	856	1,236	114	65	57	82	252	2,145	1,759
Total governmental activities program revenues	<u>33,879</u>	<u>31,826</u>	<u>43,214</u>	<u>30,464</u>	<u>31,099</u>	<u>31,471</u>	<u>29,865</u>	<u>29,057</u>	<u>29,637</u>	<u>26,288</u>
Business-type activities:										
Charges for services:										
Water and sewer	899	1,097	1,205	1,167	1,232	1,534	1,615	1,833	2,370	2,321
Solid waste disposal	2,218	2,056	2,046	3,267	2,157	2,150	2,190	2,853	2,873	2,927
Convenience centers	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,127	2,587	1,239	379	889	1,120	1,134	1,790	886	68
Total business-type activities program revenues	<u>4,244</u>	<u>5,740</u>	<u>4,490</u>	<u>4,813</u>	<u>4,278</u>	<u>4,804</u>	<u>4,939</u>	<u>6,476</u>	<u>6,129</u>	<u>5,316</u>
Total primary governmental program revenues	<u>\$ 38,123</u>	<u>\$ 37,566</u>	<u>\$ 47,704</u>	<u>\$ 35,277</u>	<u>\$ 35,377</u>	<u>\$ 36,275</u>	<u>\$ 34,804</u>	<u>\$ 35,533</u>	<u>\$ 35,766</u>	<u>\$ 31,604</u>
<b>Net (expense)/revenue</b>										
Governmental activities	(\$64,132)	(\$58,533)	(\$74,522)	(\$75,619)	(\$61,429)	(\$62,672)	(\$64,968)	(\$65,195)	(\$66,114)	(\$65,972)
Business-type activities	(237)	1,416	(712)	480	(1,764)	454	190	1,850	887	(469)
Total primary governmental net expense	<u>(\$64,369)</u>	<u>(\$57,117)</u>	<u>(\$75,234)</u>	<u>(\$75,139)</u>	<u>(\$63,193)</u>	<u>(\$62,218)</u>	<u>(\$64,778)</u>	<u>(\$63,345)</u>	<u>(\$65,227)</u>	<u>(\$66,441)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 43,224	\$ 48,476	\$ 48,436	\$ 49,155	\$ 49,874	\$ 51,846	\$ 51,317	\$ 51,884	\$ 53,962	\$ 53,079
Sales taxes	14,353	11,758	10,810	12,071	11,619	11,747	12,641	13,429	14,335	14,858
Excise taxes	202	182	142	144	186	203	211	261	246	306
Other taxes	67	68	72	77	80	82	79	87	92	93
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	910	280	348	156	143	147	122	165	400	726
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(558)	(1,505)	302	(176)
Total governmental activities	<u>58,756</u>	<u>60,764</u>	<u>59,808</u>	<u>61,603</u>	<u>61,902</u>	<u>64,025</u>	<u>63,812</u>	<u>64,321</u>	<u>69,337</u>	<u>68,886</u>
Business-type activities:										
Other taxes & licenses	-	-	-	-	-	-	-	-	-	-
Investment earnings	266	81	29	25	29	3	5	13	37	116
Miscellaneous	-	-	-	-	-	-	-	-	2	-
Transfers	-	-	-	-	-	-	558	1,505	(302)	176
Total business-type activities	<u>266</u>	<u>81</u>	<u>29</u>	<u>25</u>	<u>29</u>	<u>3</u>	<u>563</u>	<u>1,518</u>	<u>(263)</u>	<u>292</u>
Total primary government	<u>\$ 59,022</u>	<u>\$ 60,845</u>	<u>\$ 59,837</u>	<u>\$ 61,628</u>	<u>\$ 61,931</u>	<u>\$ 64,028</u>	<u>\$ 64,375</u>	<u>\$ 65,839</u>	<u>\$ 69,074</u>	<u>\$ 69,178</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (5,376)	\$ 2,231	(\$14,714)	\$ (14,016)	\$ 474	\$ 1,353	\$ (1,156)	\$ (874)	\$ 3,223	\$ 2,914
Business-type activities	28	1,497	(683)	505	(1,736)	457	753	3,368	622	(177)
Total primary government	<u>\$ (5,348)</u>	<u>\$ 3,728</u>	<u>\$ (15,397)</u>	<u>\$ (13,511)</u>	<u>\$ (1,262)</u>	<u>\$ 1,810</u>	<u>\$ (403)</u>	<u>\$ 2,494</u>	<u>\$ 3,845</u>	<u>\$ 2,737</u>

Table 3

# NASH COUNTY, NORTH CAROLINA

## Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$7,564	\$7,242	-	-	-	-	-	-	-	-
Unreserved	21,264	23,169	-	-	-	-	-	-	-	-
Non Spendable			15	17	19	22	23	24	21	25
Restricted			5,543	6,524	6,980	11,032 <sup>2</sup>	8,707	8,386	7,831	7,845
Committed			239	279	319	513	423	229	968	1,655
Assigned			3,323	2,199	4,476	7,061 <sup>2</sup>	6,832	4,148	3,383	4,833
Unassigned			21,155	22,937	22,936	21,447	24,836	27,329	30,286	28,319
Total general fund	<u>\$28,828</u>	<u>\$30,411</u>	<u>\$30,275</u>	<u>\$31,956</u>	<u>\$34,730</u>	<u>\$40,075</u>	<u>\$40,821</u>	<u>\$40,116</u>	<u>\$42,489</u>	<u>\$42,677</u>
All other governmental funds										
Reserved	\$35	\$36,349 <sup>1</sup>	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,690	3,492	-	-	-	-	-	-	-	-
Capital projects funds	1,225	347	-	-	-	-	-	-	-	-
Restricted	-	-	4,156	1,583	1,399	1,812	987	1,243	1,503	6,071
Committed	-	-	2,539	2,417	2,286	2,287	5,353	5,561	2,350	3,021
Assigned	-	-	228	214	243	1,600	105	155	3,075	3,437
Unassigned	-	-	(505)	(76)	(408)	(951)	(14)	(112)	(168)	0
Restricted in Capital Project	-	-	18,991	3,054	1,213	-	-	-	-	-
Unassigned in Capital Project	-	-	(1,970)	-	-	-	-	-	-	-
Restricted in Bond Fund	-	-	-	-	-	6,855 <sup>2</sup>	-	-	-	-
Committed in Bond Project	-	-	-	-	-	385	-	-	-	-
Total all other governmental funds	<u>\$4,950</u>	<u>\$40,188</u>	<u>\$23,439</u>	<u>\$7,192</u>	<u>\$4,733</u>	<u>\$11,988</u>	<u>\$6,431</u>	<u>\$6,847</u>	<u>\$6,760</u>	<u>\$12,529</u>

<sup>1</sup> The 2010 increase in reserved for capital projects funds is due to \$28,967,319 of Capital Projects Fund and \$7,308,333 capital projects in Other Governmental Funds.

<sup>2</sup> The 2014 increase in restricted General Fund is due to \$8,221,349 of unspent debt proceeds as of June 30, 2014. Increase in assigned fund balance is primarily due to receipt of NC Eastern Region payout funds for Nash County of \$1,570,743 and Eastern Region debt proceeds of \$576,923. The increase in restricted bond project funds is due to \$7,240,896 of capital outlays for the Nash Community College.

NOTE: GASB Statement #54 (Fund Balance Reporting) established new fund balance classifications in FY11. Fiscal years 2009 and 2010 are prior to the implementation of GASB Statement #54 and the second section beginning with fiscal year 2011 shows the fund balance information after the implementation of GASB Statement #54.

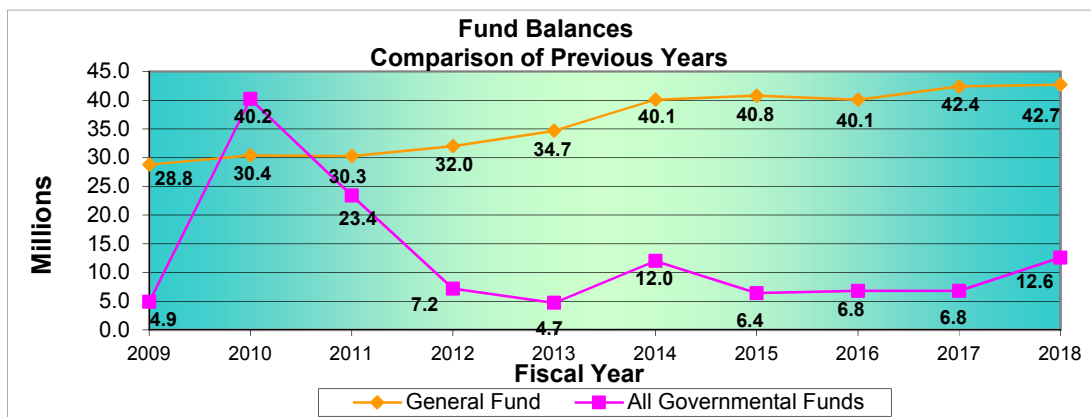


Table 4

## NASH COUNTY, NORTH CAROLINA

**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Ad valorem taxes	\$44,119	\$48,278	\$48,301	\$48,978	\$49,612	\$52,673	\$51,834	\$52,170	\$53,619	\$53,384
Other taxes and licenses	14,622	12,008	11,024	12,292	11,884	12,032	12,931	13,777	14,672	15,257
Intergovernmental	22,296	23,054	34,015	22,981	21,928	22,716	22,698	21,690	22,340	18,784
Permits and fees	1,000	920	917	983	1,151	1,010	943	1,127	1,086	1,398
Sales and services	4,468	5,139	4,531	4,186	4,374	3,872	4,816	5,112	5,136	4,962
Investment earnings	872	274	291	154	142	146	120	160	400	726
Miscellaneous	1,034	2,555	3,584	2,147	3,457	3,688	1,224	956	1,044	1,255
Total revenues	<u>\$88,411</u>	<u>\$92,228</u>	<u>\$102,663</u>	<u>\$91,721</u>	<u>\$92,548</u>	<u>\$96,137</u>	<u>\$94,566</u>	<u>\$94,992</u>	<u>\$98,297</u>	<u>\$95,766</u>
<b>Expenditures</b>										
General government	8,244	8,826	10,472	10,039	8,446	8,616	8,309	8,861	8,828	9,900
Public safety	21,122	21,825	22,368	23,639	23,222	23,161	23,644	25,518	28,063	34,937
Transportation	327	397	381	343	301	315	300	329	308	326
Economic and physical development	3,345	5,233	3,706	2,654	3,652	3,085	3,219	2,727	3,306	3,154
Human services	28,097	26,231	25,683	25,626	25,483	25,999	26,074	25,529	26,059	23,139
Cultural and recreation	1,497	1,562	1,675	1,581	1,543	1,655	1,616	1,662	1,951	2,121
Education	23,654	25,976	51,431	38,513	25,316	25,964	30,481	24,640	24,447	24,097
Revaluation	146	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	2,619	2,580	2,800	3,132	2,876	3,388	7,256	3,839	3,269	4,732
Interest	829	708	2,012	1,905	1,858	1,980	1,933	1,667	1,729	1,444
Issuance	-	-	-	-	-	-	95	-	-	-
Total expenditures	<u>89,880</u>	<u>93,338</u>	<u>120,528</u>	<u>107,432</u>	<u>92,697</u>	<u>94,163</u>	<u>102,927</u>	<u>94,772</u>	<u>97,960</u>	<u>103,850</u>
Excess of revenues over (under) expenditures	(\$1,469)	(\$1,110)	(\$17,865)	(\$15,711)	(\$149)	\$1,974	(\$8,361)	\$220	\$337	(\$8,084)
<b>Other financing sources (uses)</b>										
Transfers in	386	505	730	27	354	2,780	1,945	1,150	1,597	1,755
Transfers out	(386)	(505)	(730)	(27)	(354)	(2,780)	(2,504)	(2,655)	(1,295)	(1,931)
Debt Proceeds	-	-	-	-	-	-	-	-	14,000	1,700
Bonds issued	-	36,937	-	-	-	9,310	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	3,787	-	19,034	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(18,871)	-
Bond premium	-	994	-	-	-	380	-	-	-	-
Long-term debt issued	-	-	-	-	-	577	-	-	-	-
Sale of capital assets	-	-	-	70	-	-	-	-	-	-
Capital lease obligations issued	-	-	979	1,075	465	359	322	996	-	-
Total other financing sources (uses)	<u>-</u>	<u>37,931</u>	<u>979</u>	<u>1,145</u>	<u>465</u>	<u>10,626</u>	<u>3,550</u>	<u>(509)</u>	<u>14,465</u>	<u>1,524</u>
Net change in fund balances	<u>(\$1,469)</u>	<u>\$36,821</u>	<u>(\$16,886)</u>	<u>(\$14,566)</u>	<u>\$316</u>	<u>\$12,600</u>	<u>(\$4,811)</u>	<u>(\$289)</u>	<u>\$14,802</u>	<u>(\$6,560)</u>
Debt service as a percentage of noncapital expenditures	3.84%	3.52%	4.16%	4.90%	5.22%	5.79%	9.31%	6.33%	5.70%	7.20%

Table 5

# **NASH COUNTY, NORTH CAROLINA**

## **General Government Tax Revenues By Source Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Intangible Tax</b>	<b>Sales Tax</b>	<b>Real Estate Transfer Tax</b>	<b>Rental Vehicle Tax</b>	<b>Privilege Licenses Tax</b>	<b>Total</b>
2009	\$41,931	\$0	\$14,353	\$202	\$50	\$17	\$56,553
2010	45,834	-	11,758	182	54	14	57,842
2011	45,832	-	10,810	142	56	16	56,856
2012	46,424	-	12,071	144	63	14	58,716
2013	46,965	-	11,619	186	65	15	58,850
2014	49,842	-	11,746	203	69	14	61,874
2015	48,902	-	12,641	211	72	7	61,833
2016	49,060	-	13,429	261	81	6	62,837
2017	50,342	-	14,335	246	86	6	65,015
2018	49,982	-	14,858	306	88	5	65,239

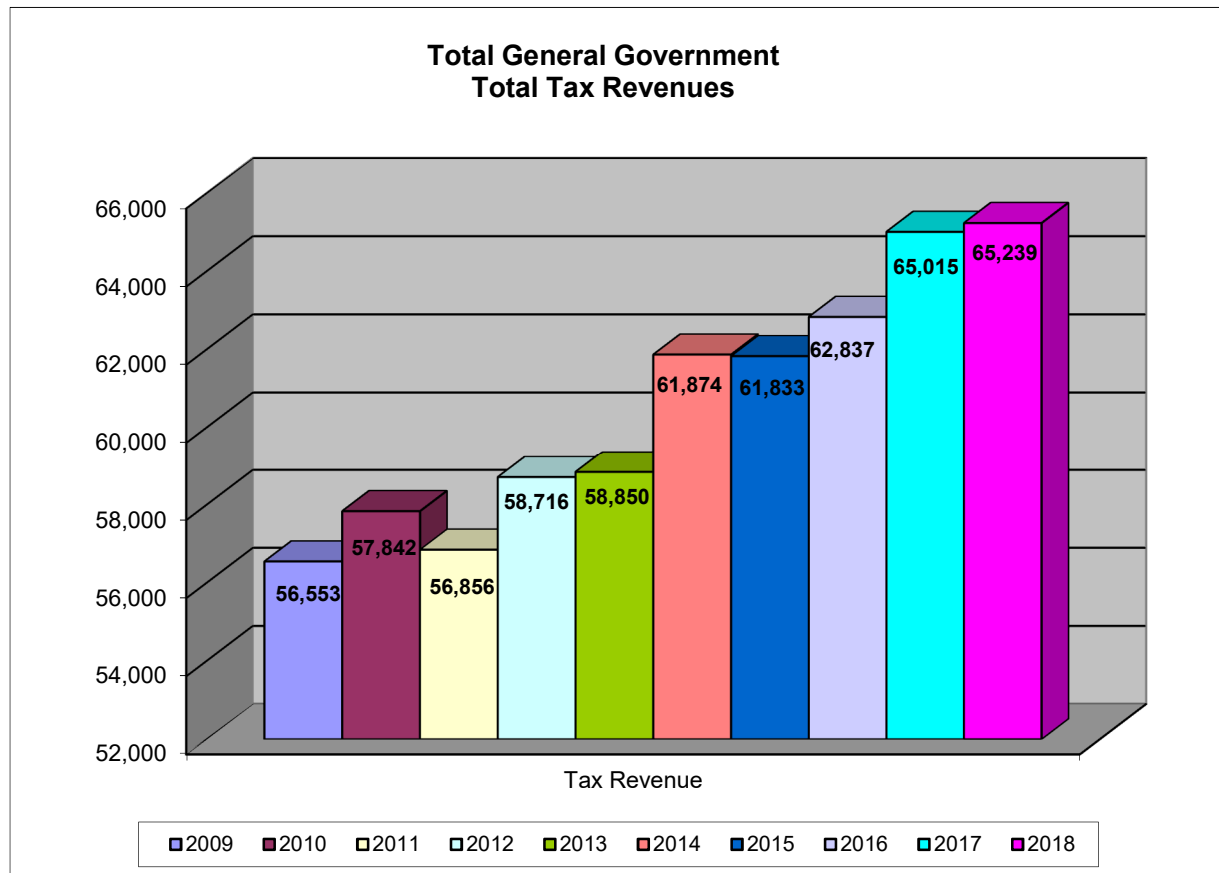


Table 6

# NASH COUNTY, NORTH CAROLINA

## Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2009	\$3,132,659	\$2,033,235	\$764,185	\$950,943	(\$855,723)	\$6,025,299	0.70	\$6,924,835	87.01%
2010	3,752,284	2,510,928	679,641	958,630	(1,000,154)	6,901,329	0.67	7,097,942	97.23%
2011	3,769,534	2,539,620	643,305	960,321	(1,019,267)	6,893,513	0.67	7,125,815	96.74%
2012	3,792,117	2,638,493	682,422	956,318	(1,111,614)	6,957,736	0.67	7,001,848	99.37%
2013	3,803,337	2,634,284	731,442	954,638	(1,109,318)	7,014,383	0.67	6,971,162	100.62%
2014	3,826,638	2,654,172	860,376 <sup>1</sup>	933,828	(1,113,587)	7,240,869	0.67	7,190,535	100.70%
2015	3,867,641	2,687,683	789,100	978,586	(1,115,407)	7,207,603	0.67	7,078,074	101.83%
2016	3,906,983	2,715,023	829,198	938,467	(1,116,963)	7,272,708	0.67	7,181,503	101.27%
2017	4,146,726	2,771,996	889,136	920,771	(1,236,748)	7,491,881	0.67	7,327,740	102.24%
2018	3,776,711	3,209,327	917,626	1,046,530	(1,540,272)	7,409,922	0.67	7,528,878	98.42%

<sup>1</sup> This reporting year only - There are 4 months of Motor Vehicle Value overlap due to old RMV system billing 4 months in arrears, but the new VTS billing at front of cycle. This will not occur in subsequent years.

Source: County tax assessor

Note: Property in the county is reassessed every eight years. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

Table 7

# NASH COUNTY, NORTH CAROLINA

## Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years

	Year Taxes Are Payable									
	2008-09 <sup>1</sup>	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 <sup>1</sup>	2017-18
Nash County	\$ 0.7000	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700
<u>Municipality Rates:</u>										
City of Rocky Mount	0.5800	0.5500	0.5500	0.5500	0.5800	0.5800	0.5800	0.6050	0.6050	0.6600
Town of Sharpsburg	0.5000	0.5000	0.5000	0.5250	0.5500	0.6500	0.6500	0.6500	0.6500	0.5500
Town of Spring Hope	0.6200	0.5700	0.5700	0.5700	0.5700	0.5700	0.6000	0.6300	0.6300	0.6300
Town of Bailey	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100
Town of Middlesex	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000	0.5200	0.5700	0.5700	0.5700
Town of Whitakers	0.6900	0.6900	0.6900	0.7200	0.7200	0.7200	0.7200	0.7200	0.7200	0.7200
Town of Nashville	0.6300	0.5100	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600
Town of Castalia	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2500	0.2500	0.3000	0.3000
Town of Momeyer	0.0900	0.0900	0.0900	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300
<u>Other Districts:</u>										
Rocky Mount Municipal District	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Nashville Municipal District	-	-	-	-	-	-	-	-	-	0.1000
<u>Fire Districts:</u>										
Ferrells	.1200	.1200	.1200	.1336	.1336	.1336	.1336	.1336	.1336	.1336
N.S. Gulley	.1075	.1075	.1075	.1075	.1075	.1075	.1075	.1200	.1200	.1200
Harrison	.0700	.0700	.0900	.0900	.0900	.0900	.1000	.1000	.1000	.1000
Stanhope	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750
Stony Creek	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700
Green Hornet	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0700	.0700
Silver Lake	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900
Sims	.0400	.0400	.0464	.0464	.0464	.0464	.0464	.0464	.0464	.0464
Tri-County	.0800	.0800	.0800	.0800	.0800	.0800	.0800	.1000	.1000	.1000
Salem	.0800	.0800	.0800	.0800	.0800	.0800	.1200	.1200	.1200	.1200
West Mount	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.1000	.1000	.1000
Coopers	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850
Castalia	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0785
Spring Hope	.0800	.0800	.0800	.0900	.0900	.0900	.0900	.0900	.0900	.0900
Middlesex	.0500	.0500	.0500	.0500	.0500	.0500	.0800	.0800	.0800	.0800
Red Oak	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700
Momeyer	.0600	.0600	.0600	.0600	.0600	.0600	.0800	.0800	.0800	.0800
Whitakers	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750

<sup>1</sup> Revaluation years.

Note: The rates are shown per \$100 of taxable value. Real property is reappraised at 100% of fair market value every eight years. Personal property is reappraised annually at 100% of fair market value.

Source: County tax assessor.

Table 8

# NASH COUNTY, NORTH CAROLINA

## Principal Property Taxpayers as of January Current Year and Nine Years Ago (amounts expressed in thousands)

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Hospira Inc.	\$267,831	1	3.61%	\$120,433	2	2.00%
Consolidated Diesel Co.	205,516	2	2.77%	203,865	1	3.38%
Universal Leaf North America NC	101,053	3	1.36%	105,053	3	1.74%
Duke Energy Progress Inc.	69,053	4	0.93%	40,475	4	0.67%
McLane Mid Atlantic, Inc.	38,209	5	0.52%			
Kaba Ilco-Unican Corporation	23,737	6	0.32%	21,575	8	0.36%
Carolina Telephone	21,457	7	0.29%			-
Dominion North Carolina Power	20,926	8	0.28%			
Hendon Golden East LLC	19,156	9	0.26%	24,049	7	0.40%
Honeywell International Inc.	17,449	10	0.24%			
PNC - RBC Centura Bank, Inc.			0.00%	39,277	5	0.65%
Cheesecake Factory Bakery, Inc.			0.00%	16,733	10	0.28%
Embarq	-	-	-	30,889	6	0.51%
Fords Colony at Rocky Mount	-	-	-	16,952	9	0.28%
Totals	<u>\$784,387</u>		<u>10.59%</u>	<u>\$619,301</u>		<u>10.27%</u>

Source: County tax assessor

Table 9

**NASH COUNTY, NORTH CAROLINA**

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$42,240	\$40,459	95.78%	\$1,458	\$41,917	99.24%
2010	46,000	44,205	96.10%	1,590	45,795	99.55%
2011	46,010	44,172	96.01%	1,639	45,811	99.57%
2012	46,574	44,629	95.82%	1,628	46,257	99.32%
2013	47,082	44,970	95.51%	1,750	46,720	99.23%
2014	48,580	47,477	97.73%	780	48,257	99.34%
2015	48,394	47,608	98.38%	529	48,137	99.47%
2016	48,799	48,044	98.45%	407	48,451	99.29%
2017	50,211	49,491	98.57%	296	49,787	99.16%
2018	49,661	49,032	98.73%	0	49,032	98.73%

NOTE: Starting September 1, 2014 Motor Vehicle are billed thru Tax & Tag Together

Source: County tax assessor.

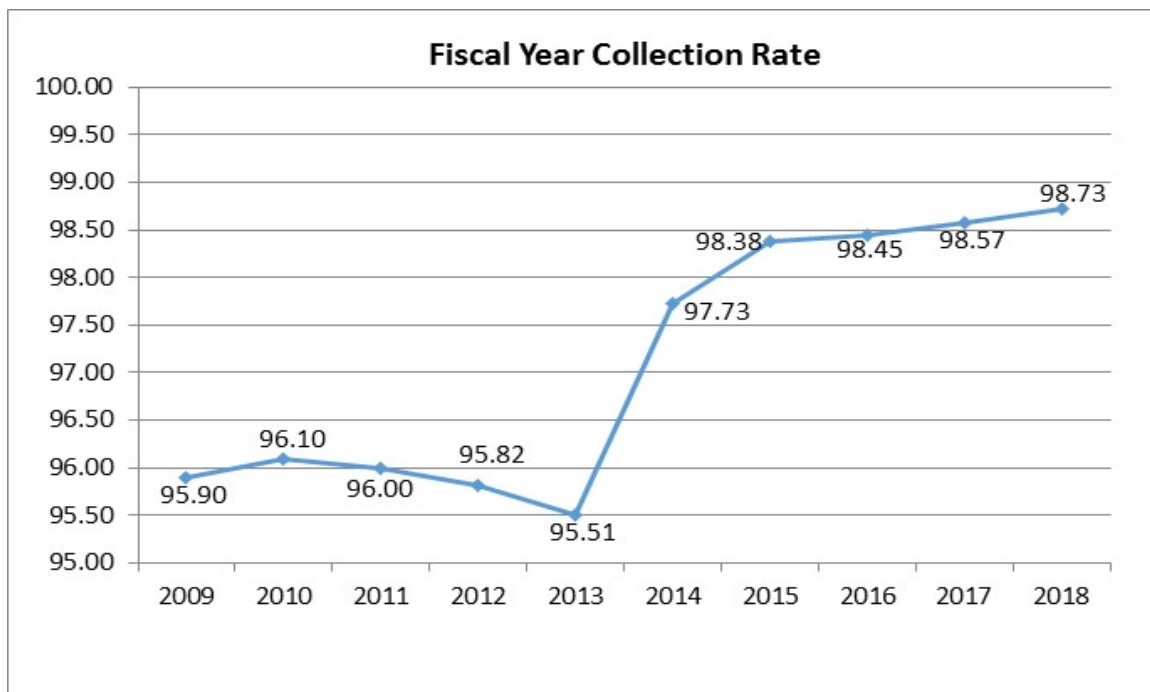




Table 10

## NASH COUNTY, NORTH CAROLINA

**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Installment Purchases	Limited Obligation Bonds	Capital Leases	Unamortized Premiums/ Discounts	Installment Purchases	Water Bonds			
2009	\$0	\$14,851	\$0	\$0	\$0	\$3,717	\$5,239	\$23,807	0.75%	\$251
2010	-	20,852	28,355	-	994	3,412	5,239	58,852	1.82%	614
2011	-	18,310	28,355	722	942	3,107	5,179	56,615	1.72%	590
2012	-	16,102	27,900	1,327	890	2,801	7,922	56,942	1.68%	595
2013	-	14,614	26,940	1,364	837	2,496	7,859	54,110	1.56%	565
2014	9,310	13,467	25,975	1,024	1,165	2,190	12,517	65,648	1.86%	693
2015	8,840	11,907	25,010	871	1,077	1,885	12,406	61,996	1.68%	657
2016	8,370	10,253	24,045	1,118	1,010	1,579	12,292	58,667	1.57%	622
2017	7,905	42,261	6,100	745	324	1,274	12,095	70,704	na	751
2018	7,440	41,374	4,695	470	302	1,142	11,911	67,334	na	713

Note: Details regarding Nash County's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

Table 11

# NASH COUNTY, NORTH CAROLINA

## Ratio of General Bonded Debt Outstanding Last Ten Fiscal Years (amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2009 <sup>3</sup>	\$ 5,239	\$ -	\$ 5,239	0.08%	\$ 55
2010	5,239	-	5,239	0.07%	54
2011	5,179	-	5,179	0.07%	53
2012	7,922	-	7,922	0.11%	82
2013	7,859	-	7,859	0.11%	82
2014	21,827	-	21,827	0.31%	230
2015	21,246	-	21,246	0.30%	225
2016	20,662	-	20,662	0.29%	219
2017	20,009	-	20,009	0.27%	212
2018	19,351	-	19,351	0.26%	205

<sup>1</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property statistical table for property value data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics.

<sup>3</sup>First year Nash County had General Bonded Debt Outstanding

Table 12

## NASH COUNTY, NORTH CAROLINA

Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 482,024	\$ 552,106	\$ 551,481	\$ 556,619	\$ 561,151	\$ 579,270	\$ 576,608	\$ 581,817	\$ 599,350	\$ 592,794
Total net debt applicable to limit	<u>5,239</u>	<u>5,239</u>	<u>5,179</u>	<u>7,922</u>	<u>7,859</u>	<u>21,827</u>	<u>21,246</u>	<u>20,662</u>	<u>20,009</u>	<u>19,351</u>
Legal debt margin	<u>\$ 476,785</u>	<u>\$ 546,867</u>	<u>\$ 546,302</u>	<u>\$ 548,697</u>	<u>\$ 553,292</u>	<u>\$ 557,443</u>	<u>\$ 555,362</u>	<u>\$ 561,155</u>	<u>\$ 579,341</u>	<u>\$ 573,443</u>
Total net debt applicable to the limit as a percentage of debt limit	1.09%	0.95%	0.94%	1.42%	1.40%	3.77%	3.68%	3.55%	3.34%	3.26%

## Legal Debt Margin Calculation for Fiscal Year 2017

Total assessed value	<u>\$ 7,409,922</u>
Debt Limit (8% of total assessed value)	\$ 592,794
Debt applicable to limit:	
Water bonds	\$ 11,911
General Obligation Bond	\$ 7,440
Total net debt applicable to limit	<u>\$ 19,351</u>
Legal debt margin	<u>\$ 573,443</u>

Note: Under state finance law, Nash County's net debt should not exceed 8 percent of total assessed property value.

Table 13

# NASH COUNTY, NORTH CAROLINA

## Direct and Overlapping Governmental Activities Debt As of June 30, 2018 (amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Estimated Share of Direct and Overlapping Debt
<b>Direct:</b>			
Nash County		100.00%	67,334
<b>Overlapping:</b>			
Town of Sharpsburg	\$ 1,474	0.74%	\$ 11
<b>Total direct and overlapping debt</b>			<u>\$ 67,345</u>

Source: North Carolina Department of State Treasurer [www.nctreasurer.state.nc.us](http://www.nctreasurer.state.nc.us)

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Nash County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Table 14

# **NASH COUNTY, NORTH CAROLINA**

## **Demographic and Economic Statistics Last Ten Fiscal Years**

<b>Fiscal</b>		<b>Personal Income (amounts expressed</b>	<b>Per Capita Personal</b>	<b>Median</b>	<b>School</b>	<b>Unemployment</b>
<b>Year</b>	<b>Population <sup>1</sup></b>	<b>in thousands) <sup>2</sup></b>	<b>Income <sup>2</sup></b>	<b>Age <sup>1</sup></b>	<b>Enrollment <sup>3</sup></b>	<b>Rate <sup>4</sup></b>
2009	94,745	\$ 3,179,260	\$ 33,557	38.1	17,549	13.1
2010	95,894	3,237,490	33,761	38.6	17,282	12.2
2011	95,912	3,284,494	34,245	39.4	17,767	12.7
2012	95,708	3,393,700	35,459	39.7	17,500	12.8
2013	95,728	3,475,011	36,301	40.0	16,443	12.6
2014	94,744	3,538,889	37,505	41.0	16,200	8.8
2015	94,338	3,685,035	38,982	41.0	15,672	8.0
2016	94,280	3,748,423	39,758	42.2	15,630	6.8
2017	94,188	na	na	42.4	15,257	6.0
2018	94,420	na	na	42.4	15,078	5.8

### Data Sources

<sup>1</sup> North Carolina Office of State Budget and Management <http://www.osbm.state.nc.us>

<sup>2</sup> Bureau of Economic Analysis: Regional Economic Accounts > Local Area Personal Income [www.bea.gov](http://www.bea.gov)

<sup>3</sup> School District

<sup>4</sup> Employment Security Commission of North Carolina [www.ncesc.com](http://www.ncesc.com)

Note: Capital income and per capita personal income are based on the latest available data. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

Table 15

# NASH COUNTY, NORTH CAROLINA

## Principal Employers Current Year and Nine Years Ago

Employer	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Pfizer Inc. (Hospira in 2008)	2,400	1	5.93%	2,091	2	5.11%
Nash-Rocky Mount Schools	2,275	2	5.62%	2,289	1	5.59%
Cummins, Inc.	1,800	3	4.45%	1,371	4	3.35%
Nash Health Care Systems	1,600	4	3.95%	1,897	3	4.64%
Alorica (formerly West Corp.)	885	5	2.19%			
City of Rocky Mount	850	6	2.10%	1,237	6	3.02%
Universal Leaf North America NC	800	7	1.98%	1,253	5	3.06%
McLane Mid-Atlantic, Inc.	575	8	1.42%	609	9	1.49%
Nash County	575	9	1.42%	609	8	1.49%
Kaba Ilco-Unican Corporation	525	10	1.30%	500	10	1.22%
PNC Bank				1,100	7	2.69%
Total	<u>12,285</u>		<u>30.36%</u>	<u>12,956</u>		<u>31.66%</u>

Source: Nash County business community.

Table 16

# **NASH COUNTY, NORTH CAROLINA**

## **Full-time Equivalent County Government Employees by Function Last Ten Fiscal Years**

Function	Full-time Equivalent Employees as of June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	62.5	62.4	63.4	67.3	65.5	66.3	60.2	65.0	65.0	64.5
Public safety										
Sheriff										
Deputies	77.0	78.0	78.0	77.0	77.0	77.0	84.0	87.0	87.7	89.1
Civilians	57.0	57.0	57.0	58.0	58.0	58.0	55.0	53.0	53.0	54.8
Emergency Services	114.1	114.1	114.1	120.1	120.1	125.1	126.3	126.4	126.4	133.4
Other Public Safety	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Economic Development	30.4	30.4	29.7	27.7	26.0	25.8	24.5	24.5	24.5	25.8
Human Services										
Health	123.7	119.8	117.7	115.5	116.7	114.9	111.8	111.1	111.3	107.6
Social Services	166.0	165.0	165.0	165.0	165.0	164.0	161.3	166.3	167.3	165.3
Other Human Services	28.4	28.6	28.4	28.1	28.9	27.3	28.3	28.6	28.7	28.0
Utilities	5.5	5.5	7.0	7.1	6.8	8.0	8.8	7.5	7.5	7.8
Cultural & Recreational	6.5	6.5	8.0	7.5	8.0	8.0	8.5	8.5	8.0	7.5
Total	676.1	672.3	673.3	678.3	677.0	679.4	673.6	682.9	684.3	688.6

Source: Nash County finance office.

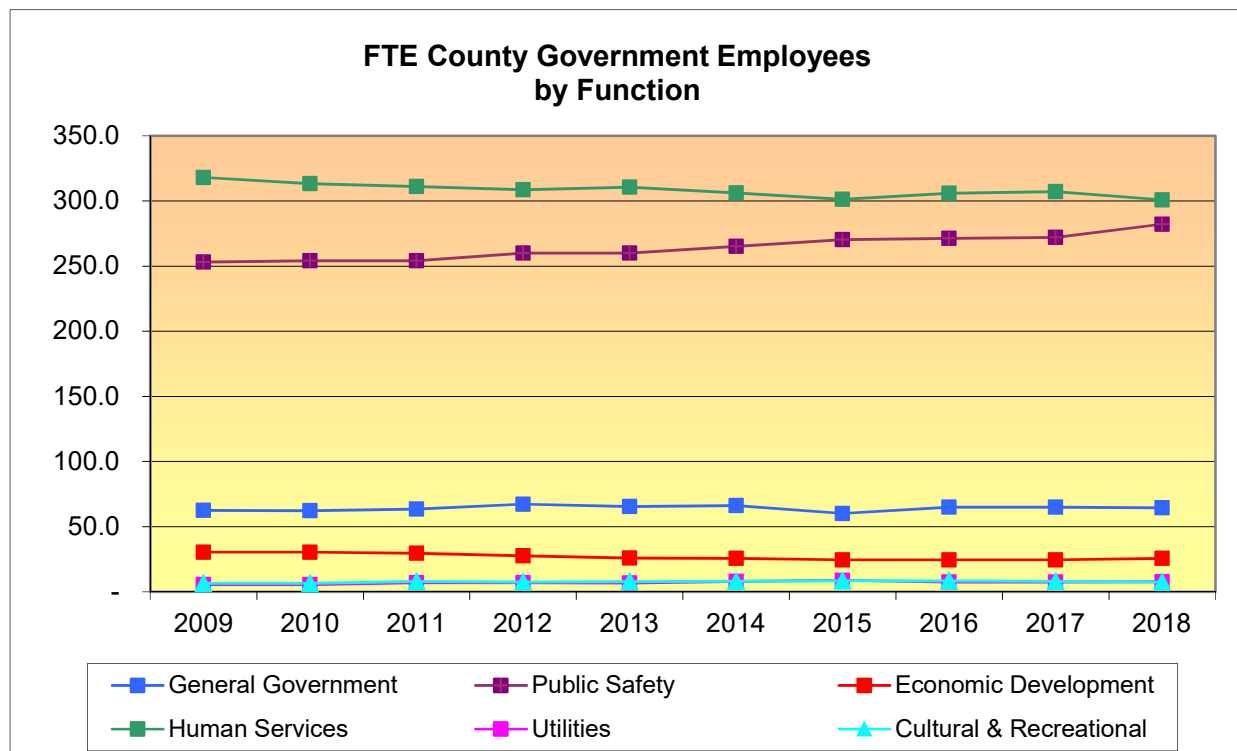


Table 17

## NASH COUNTY, NORTH CAROLINA

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Sheriff										
Physical arrests	6,044	5,840	5,656	2,316	2,418	2,286	2,006	1,529	1,074	773
Serving civil papers (evictions, executions, court)	19,670	19,121	18,454	21,112	20,348	11,753	12,438	12,177	12,374	11,003
Traffic violations/citations	1,612	1,779	675	534	475	355	619	781	645	503
Cases in review by investigations	2,052	1,764	1,082	1,077	1,103	1,541	1,933	1,736	1,566	1,096
Cases closed/cleared	1,314	1,219	568	550	581	971	1,322	677	1,185	529
Calls for service	18,213	23,614	21,643	22,442	22,130	25,691	21,643	23,710	26,526	27,340
Transports	1,578	1,065	1,598	1,251	1,927	1,881	1,533	1,169	1,231	2,038
Emergency Services										
Number incoming/outbound calls	na	180,894	170,426	179,712	166,944	169,803	172,745	176,384	169,735	163,464
Number of calls for service dispatched from 911 Center	68,800	79,774	91,566	110,925	112,474	115,056	103,788	119,516	119,681	120,657
Public education events	12	8	8	8	10	10	10	10	8	7
Fire										
Inspections	762	834	985	1,023	1,203	1,404	824	991	1,107	927
Number of fire investigations	21	23	31	24	21	22	15	10	19	19
Plans review	28	31	38	33	26	19	53	69	51	31
Assist Fire Departments	-	-	-	-	-	-	-	-	-	104
Economic Development										
Permits issued (building, electrical, mechanical, plumbing, etc.)	2,899	3,243	3,296	3,255	3,409	2,538	2,805	2,977	3,175	3,239
New residential construction (units)	165	170	112	138	141	132	130	115	143	252
New commercial construction (units)	26	15	21	16	19	13	16	17	21	19
Building inspections performed	9,178	8,807	8,359	8,936	8,387	7,358	7,577	7,369	8,197	8,868
Cultural										
Parks & Recreation:										
Baseball Participants	-	-	-	-	303	417	447	478	563	597
Softball Participants	-	-	-	-	82	142	126	168	220	240
Basketball Participants	-	-	-	-	-	315	358	395	447	462
Adult Basketball Participants	-	-	-	-	-	-	-	26	100	60
Football Participants	-	-	-	-	-	99	152	213	171	145
Cheerleading Participants	-	-	-	-	-	39	51	58	58	43
Futsal Participants	-	-	-	-	-	-	-	48	88	118
Volleyball Participants	-	-	-	-	-	-	-	26	60	95
Adult Soccer	-	-	-	-	-	-	-	-	-	60
Flag Football	-	-	-	-	-	-	-	-	-	127
Parks to Maintain	1	1	1	1	1	1	1	1	6	6
Park Acreage	1	1	1	1	1	1	1	1	117	117
Solid Waste										
Refuse collected (tons/day)	77.2	73.6	79.6	129.3	60.7	64.7	78.4	64.9	59.1	55.7
Utilities										
Water										
Total water customers	1,041	1,538	1,996	2,115	2,177	2,656	2,765	2,862	3,074	3,194
Water mains breaks	-	-	3	2	4	6	7	4	5	3
Average daily consumption (thousands of gallons)	136	178	202	219	279	334	302	337	393	434
Sewer										
Total sewage customers	271	270	252	263	267	267	266	254	256	267
Average daily sewage treatment (thousands of gallons)	69	77	55	61	76	84	63	49	104	133

Sources: Various Nash County government departments.

Note: Indicators are not available for the general government function.



Table 18

## NASH COUNTY, NORTH CAROLINA

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public safety										
Emergency Medical Services:										
Stations - County Owned	-	1	1	2	2	2	3	3	3	3
- Rented Space	10	9	9	8	8	8	7	7	8	8
Ambulances	18	19	19	20	21	21	21	21	21	21
Quick Response Vehicles (QRV)	5	5	6	6	6	6	7	7	7	7
Sheriff:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	76	76	76	76	76	76	81	82	82	86
Solid Waste										
Convenience Sites	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	52.7	100.4	127.8	129.2	129.2	140.1	188.0	188.0	193.0	194.0
Fire hydrants	186	186	214	216	216	283	295	302	312	316
Maximum daily capacity (thousands of gallons)	989	989	989	989	989	989	989	989	989	989
Sewer										
Sanitary sewers (miles)	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	11.0
Maximum daily treatment capacity (thousands of gallons)	300	300	300	300	300	300	300	300	300	300

Sources: Various Nash County government departments.

## COMPLIANCE SECTION



**Report On Internal Control Over Financial Reporting And On Compliance and  
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With  
*Government Auditing Standards***

**Independent Auditors' Report**

To the Board of County Commissioners  
Nash County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Nash County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Nash County basic financial statements, and have issued our report thereon dated November 19, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Nash County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nash County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nash County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

---

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 19, 2018



Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA

Report On Compliance With Requirements Applicable To Each Major Federal  
Program And Internal Control Over Compliance In Accordance With OMB  
Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners  
Nash County, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Nash County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Nash County's major federal programs for the year ended June 30, 2018. Nash County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements with Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Nash County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. We performed our testing, on a test basis, evidence about Nash County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Nash County's compliance.

## Opinion on Each Major Federal Program

In our opinion, Nash County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

Management of Nash County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Nash County internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

---

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 19, 2018



**Thompson, Price, Scott, Adams & Co, P.A.**

**P.O Box 398  
1626 S. Madison Street  
Whiteville, NC 28472  
Telephone (910) 642-2109  
Fax (910) 642-5958**

**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

**Report On Compliance With Requirements Applicable To Each Major State  
Program And Internal Control Over Compliance In Accordance With OMB  
Uniform Guidance and the State Single Audit Implementation Act**

**Independent Auditors' Report**

To the Board of County Commissioners  
Nash County, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Nash County, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Nash County's major state programs for the year ended June 30, 2018. Nash County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Nash County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and applicable sections of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could with material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Nash County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

**Members**

**American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms**

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Nash County's compliance.

### **Opinion on Each Major State Program**

In our opinion, Nash County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

Management of Nash County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Nash County's internal control over compliance with the types of requirements that could have and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

---

Thompson, Price, Scott, Adams & Co., P.A.

Whiteville, NC

November 19, 2018



NASH COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses \_\_\_ yes   X   none reported
- Noncompliance material to financial statements noted \_\_\_ yes   X   no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses \_\_\_ yes   X   none reported
- Noncompliance material to federal awards \_\_\_ yes   X   no

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) \_\_\_ yes   X   no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
10.561	Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families Cluster
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
	Child Care Development Fund Cluster
93.575	Child Care and Development Block Grant
93.596	Child Care Development Mandatory and Match Fund-Mandatory
93.596	Child Care Development Mandatory and Match Fund-Match
	Foster Care and Adoption Cluster
93.658	Foster Care - Title IV-E
93.659	Adoption Assistance
93.778	Medical Assistance Program

NASH COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

**Section I - Summary of Auditors' Results (continued)**

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Uniform Guidance 200.518 but were tested as a major program because the State awards met the threshold for a major State Program are included in the list of major federal programs (Subsidized Childcare Cluster).

Dollar threshold used to distinguish between  
Type A and Type B Programs

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_ yes

\_X\_ no

State Awards

Internal control over major State programs:

• Material weakness(es) identified?

\_\_\_ yes

\_X\_ no

• Significant deficiency(ies) identified that are  
not considered to be material weaknesses

\_\_\_ yes

\_X\_ none reported

Noncompliance material to State awards

\_\_\_ yes

\_X\_ no

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with the State Single Audit  
Implementation Act

\_\_\_ yes

\_X\_ no

Identification of major State programs:

Program Name

Medical Assistance Program

Foster Care - Title IV-E

State Appropriations

TANF - MOE

Public School Building Capital Fund - Lottery Proceeds

School Nurse Funding Initiative

Nash COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

---

**Section II - Financial Statement Findings**

---

None Reported.

---

**Section III - Federal Award Findings and Questioned Costs**

---

None Reported.

---

**Section IV - State Award Findings and Questioned Costs**

---

None Reported.

NASH COUNTY, NORTH CAROLINA  
Corrective Action Plan  
For the Year Ended June 30, 2018

---

**Section II - Financial Statement Findings**

---

None Reported.

---

**Section III - Federal Award Findings and Questioned Costs**

---

None Reported.

---

**Section IV - State Award Findings and Questioned Costs**

---

None Reported.

NASH COUNTY, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2018

NONE REPORTED.

**NASH COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2018**

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
<b>Federal Awards:</b>						
<u><b>U.S. Dept. of Agriculture</b></u>						
Passed-through the N.C. Dept. of Health and Human Services Division of Social Services Administration State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 998,806	\$ -	\$ -	\$ 998,806
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health Administration: Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	13A2-5403-GF	467,293	-	-	-
Agricultural Conservation Easement Program Total U.S. Department of Agriculture	10.931	13A2-5403-GF	3,840 1,469,939	- -	- -	- 998,806
<u><b>U.S. Dept. of Housing and Urban Development</b></u>						
Passed-through HOME Investment Partnership Program NCHFA Single Family Rehab Program 14	14.239	SFRLP1419-9170072	129,036	-	-	-
NCHFA Essential Single Family Rehab Program 17	14.239	ESFRLP1716	73,124	-	-	-
NCHFA Essential Single Family Rehab Program-Disaster Recovery Total U.S. Department of Housing and Urban Development	14.239	ESFRLPDR25	29,228 231,388	- -	- -	- -
<u><b>U.S. Dept. of Justice</b></u>						
Direct Program: Equitable Sharing Program Edward Byrne Memorial Justice Assistance Grant Program Total U.S. Dept. of Justice	16.922 16.738	NC0640000 PROJ11474	216,064 66,815 282,879	- - -	- - -	- - -
<u><b>U.S. Dept. of Transportation</b></u>						
Passed-through the N.C. Department of Transportation RPO Grant - Upper Coastal Plain RPO RPO Grant - Upper Coastal Plain RPO Total U.S. Dept. of Transportation	20.205-8 20.205-8	44844.1.20 47551.1.20	29,219 44,640 73,859	- - -	- - -	- 7,119 7,119
<u><b>U.S. Dept. of Treasury</b></u>						
Direct Program: Treasury Forfeiture Fund Program Total U.S. Dept. of Treasury	21.000	NC0640000	13,323 13,323	- -	- -	- -
<u><b>U. S. Department of Homeland Security</b></u>						
Passed-through N.C. Dept. of Public Safety: Division of Emergency Management Emergency Management Performance Homeland Security Hazardous Material Preparedness Grant Total U. S. Department of Homeland Security	97.042 97.067 20.703	EMA-2016-EP-00002-S01 EMW-2017-SS-00085-S01 HM-HMP-0544-16-01-00-1609	53,017 16,862 9,800 79,679	- - - -	- - - -	- - - -
<u><b>Institute of Museum and Library Service</b></u>						
Passed-through N.C. Dept. of Cultural and Natural Resources: Division of State Library LSTA STRENGTH PUB & ACAD COLL LSTA EZ Edge Technology Grant Total Institute of Museum and Library Service	45.310 45.310	LS-00-17-0034-17 LS-00-17-0034-17	2,139 5,144 7,283	- - -	- - -	- - -
<u><b>U.S. Dept. of Health &amp; Human Services</b></u>						
Passed-through Upper Coastal Plain Council of Governments Division of Aging and Adult Services: <u>Aging Cluster:</u> Special Programs for the Aging - Title III F Grants for Supportive Services and Senior Centers Special Programs for the Aging - Title III C Nutrition Services National Family Caregiver Support Title III-Part I Nutrition Services Incentive Program Total Aging Cluster	93.044 93.045 93.052 93.053		79,505 130,129 10,495 25,934 246,063	4,676 7,654 700 -	- - - -	- - - -
Division of Social Services Temporary Assistance for Needy Families Cluster TANF - Work First Division of Public Health TANF - Work First Total TANF Cluster	93.558 93.558		876,857 17,987 894,844	- - -	- - -	1,140,350 - 1,140,350
AFDC Payments & Penalties	93.560		(116)	(32)	-	(32)
<u><b>Foster Care and Adoption Cluster (Note 4)</b></u>						
Foster Care - Title IV-E Foster Care Adoption Assistance Total Foster Care and Adoption Cluster (Note 4)	93.658 N/A 93.659	1601NCFOST	382,980 70,545 57,604 511,129	114,056 - - 114,056	- - -	176,431 18,616 56,033 251,080
Child Support Enforcement	93.563		1,152,775	(12)	-	593,866
Refugee and Entrant Assistance - State Administered Program Total Refugee and Entrant Assistance	93.566		1,906 1,906	- -	- -	- -
Low-Income Home Energy Assistance Administration Energy Assistance Payments Crisis Intervention Program Total Low-Income Home Energy Assistance	93.568 93.568 93.568		65,007 412,438 412,628 890,073	- - - -	- - -	- - -

**NASH COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2018**

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
Stephanie Tubbs Jones Child Welfare Services Program - Permanency Planning - Families for Kid Total Stephanie Tubbs Jones Child Welfare Services Program	93.645		25,903 25,903	- -	- -	8,634 8,634
Chafee Foster Care Independence Program	93.674		11,687	2,847	-	-
SSBG - Other Service and Training Division of Aging and Adult Services Division of Social Services	93.667		393,363	-	-	131,120
SSBG - State In Home Service Fund	93.667		21,506	-	-	3,071
SSBG - State Adult Day Care	93.667		16,439	-	-	4,477
Passed-through Upper Coastal Council of Governments Social Service Block Grant (SSBG) - In Home Service Total Social Service Block Grant	93.667		44,219 475,527	1,263 1,263	- -	- 138,668
<b>Administration for Children and Families</b>						
Passed-through the N.C. Dept. of Health and Human Services:						
Subsidized Child Care (Note 4)						
<b>Child Care Development Fund Cluster</b>						
Division of Social Services						
Child Care Development Fund-Administration	93.596		134,266	-	-	-
Division of Child Development						
Child Care and Development Block Grant	93.575	G1601NCCCDF	476,146	-	-	-
Child Care Development Mandatory and Match Fund-Mandator	93.596	G1601NCCCDF	143,947	-	-	-
Child Care Development Mandatory and Match Fund-Match	93.596	G1601NCCCDF	1,933	-	-	-
Total Child Care Fund Cluster			756,292	-	-	-
Temporary Assistance for Needy Families	93.558	1601 NCTANF	76,264	-	-	-
State Appropriations			-	86,341	-	-
TANF - MOE			-	34,038	-	-
Total Subsidized Child Care (Note 4)			832,556	120,379	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance						
Division of Social Services						
Administration						
Medical Assistance Program	93.778		2,177,324	11,461	-	925,253
Total Medical Assistance Program			2,177,324	11,461	-	925,253
Division of Social Services						
Administration						
State Children's Insurance Program - N.C. Health Choice	93.767		46,378	19	-	-
Total State Children's Insurance Program - N.C. Health Choice			46,378	19	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health						
Hospital Preparedness Program (HPP) and Public Health						
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	1264-2680-M8	31,578	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116	1460-272A-NF	25,723	-	-	-
Injury Prevention and Control Research and State and Community Based Programs						
Family Planning Services	93.217	1175-837A-BDH	919	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	13A1-592A-FP	46,080	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds						
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.752	1320-310DE-JS	3,570	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.758	1261-5803-00	39,984	-	-	-
Healthy Start Initiative	93.898	1320-5599-00	25,500	-	-	-
Preventive Health Services, Sexually Transmitted Diseases Control Grants	93.926	13A1-530B-JA	115,524	-	-	-
Maternal and Child Health Services Block Grant	93.977	1311-462B-NB	692	-	-	-
Block Grants - Prevent and Treatment of Substance Abuse	93.994	13A1-5140-AP	84,679	63,517	-	-
Total U.S. Dept. of Health and Human Services:	93.959	1311-4540-X8	37,298	-	-	-
			7,707,776	326,528	-	3,057,819
Total federal awards			9,866,126	326,528	-	4,063,744
<b>State Awards:</b>						
<b>N.C. Dept. of Administration</b>						
Veterans Service						
Total N.C. Dept. of Administration		NA	-	2,175	-	-
			-	2,175	-	-
<b>N.C. Dept. of Cultural and Natural Resources</b>						
Division of State Library						
State Aid to Public Libraries						
Total N.C. Dept. of Cultural and Natural Resources:		NA	-	135,344	-	-
			-	135,344	-	-
<b>N.C. Department of Environmental Quality</b>						
Division of Waste Management						
Soil Conservation State Match		G4010029301SSWC	-	3,600	-	-
Electronic Management Program			-	8,854	-	-
Scrap Tire Program			-	6,849	-	-
NC Agriculture Cost Share - Technical Assistance		G4010029301SSWC	-	26,380	-	-
Environmental Health		NCAS 16001C6418	-	16,551	-	-
Total N.C. Dept. Environmental Quality			-	62,234	-	-
<b>N.C. Dept. of Health and Human Services</b>						
Division of Aging and Adult Service						
State Appropriation - Access			-	5,139	-	-

**NASH COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2018**

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
State Appropriation - In-Home Service:			-	366,976	-	-
State Appropriation - Home Delivered Meal:			-	81,922	-	-
State Appropriation - Senior Center Development			-	10,939	-	-
Total Division of Aging and Adult Services			-	464,976	-	-
Division of Social Service:						
ST Child Welfare/CPS/CS LD			-	181,724	-	-
Energy Assistance			-	5,754	-	-
AFDC Incent/Prog Integrit			-	587	-	-
State Foster Home			-	83,630	-	78,676
Non-Allocating Reimbursable			-	-	-	150,115
Work First Non Reimbursable			-	-	-	227,961
County Funded Programs			-	-	-	627,327
Total Division of Social Service			-	271,695	-	1,084,079
Division of Public Health						
Food and Lodging Fees		NA	-	16,551	-	-
Mosquito and Tick Suppressor		1153-4801-00	-	16,000	-	-
General Aid to Counties		1161-4110-00	-	172,429	-	-
Public Health Nursing		1161-4110-00	-	1,000	-	-
General Communicable Disease Control		1175-4510-00	-	4,196	-	-
Child Health		1271-5745-00	-	27,453	-	-
HIV/STD STATE		1311-4536-RQ	-	500	-	-
Evidence - Based Intervention Service:		1311-4541-BN & 1311-4541-RQ	-	52,702	-	-
Gonorrhea Partner Services		1311-4601-BN	-	2,176	-	-
STD Drugs		1311-4601-RQ	-	745	-	-
Breast and Cervical Cancer Control		1320-5599-00	-	26,265	-	-
School Nurse Funding Initiative		1332-5353-00	-	250,000	-	-
Family Planning - State		1332-5353-00	-	16,680	-	-
Maternal Health		13A1-5740-00	-	1,192	-	-
Women's Health Service Function		13A1-6016FR	-	7,215	-	-
TB Control		1460-4551-00 & 1460-4554-00	-	53,808	-	-
Total Division of Public Health			-	648,912	-	-
Total N. C. Department of Health and Human Services			-	1,385,583	-	1,084,079
<u>N.C. Dept. of Insurance</u>						
SHIIP Grant		NA	-	6,718	-	-
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceed		NA	-	936,000	-	-
Total N.C. Dept. of Public Instruction			-	936,000	-	-
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Program:						
Freedom School		864-11629	-	21,800	-	4,360
Impact Plus Nash		864-10325	-	40,940	-	8,188
JCPC Administrator		864-11454	-	7,558	-	-
Nash County Transition/RE-Entry		864-11041	-	60,000	-	12,000
Nash Tri-County Therapeutic Foster Care		864-10384	-	42,723	-	8,545
Resolve It Together		864-10590	-	33,310	-	6,662
Teen Court		864-10603	-	34,483	-	6,898
Alternatives to Commitment Program (ACP)		864-22732	-	69,131	-	-
Total Juvenile Crime Prevention Program			-	309,945	-	46,653
Division of Emergency Management						
Tier II Grant		1506-8064-536902	-	1,000	-	-
Total N. C. Department of Public Safety			-	310,945	-	46,653
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster:						
ROAP Elderly and Disabled Transportation Assistance Program:		36220.10.7.1	-	86,432	-	-
ROAP Rural General Public Program:		36228.22.7.1	-	78,314	-	-
ROAP Work First Transitional - Employment		36236.11.6.1	-	25,470	-	-
Total ROAP Cluster			-	190,216	-	-
Div.4 Nash - Stanhope Community VFC		72.1028			25,000	
Div.4 Nash - Bailey FD Station 2		72.1044			19,810	
Total N.C. Dept. of Transportation			-	190,216	44,810	-
<u>N.C. Housing Finance Agency</u>						
Urgent Repair Program		URP1721	-	71,754	-	-
Total State awards			-	3,100,969	44,810	1,130,732
Total federal and State awards			\$ 9,866,126	\$ 3,427,497	\$ 44,810	\$ 5,194,476

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Nash County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Nash County, it is not intended to and does not present the financial position, changes in net position or cash flows of Nash County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

Nash County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 4: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption